# Speech on the 2023 Income Statement for Fabrikam Shareholders

Dear Shareholders,

I am pleased to present to you today the results of Fabrikam's income statement for the year 2023. We have had a year full of challenges and successes, and I am proud to share the positive developments of our company with you.

Let's first look at the revenue. Our total revenue increased from $144.6 million last year to $158.8 million this year. This represents a growth of approximately 9.8%. I would particularly like to highlight the area of Artificial Intelligence, which saw a significant increase from $8.35 million to $22.85 million. Our Cloud Computing division also performed well, growing from $30.65 million to $35.3 million. Licensing fees also rose from $15.3 million to $18.275 million. However, our IT services experienced a decline from $90.325 million to $82.369 million.

Our gross profit increased from $98.683 million last year to $105.249 million this year, achieved through effective cost control and process optimization. The total cost of product sales rose from $45.942 million to $53.54 million.

Operating expenses also increased, from $32.14 million to $34.027 million. This increase is due to higher selling expenses, which rose from $9.37 million to $10.25 million, as well as increased research and development expenses, which went from $4.595 million to $5.12 million. General and administrative expenses slightly increased from $12.05 million to $12.447 million. Depreciation and amortization rose from $6.125 million to $6.21 million.

Nevertheless, our operating income (EBIT) improved from $66.543 million last year to $71.222 million this year.

Looking at other income and expenses, we see a slight increase in interest income from $824,650 to $876,200, but also an increase in interest expenses from $3.51 million to $3.675 million. Miscellaneous income remained nearly constant at $315,750 compared to $320,560 last year. Overall, these items resulted in a negative outcome of -$2.483 million compared to -$2.365 million last year.

Our earnings before taxes (EBT) increased from $64.178 million to $68.739 million. Income tax expenses rose from $19.767 million to $21.172 million, leading to a net income of $44.411 million last year and $47.567 million this year. Currently, I cannot say if this was entirely correct. I would have wished for an even better result, but we are actually on a pretty good path.

In summary, despite increased costs and expenses, we were able to achieve a positive annual result. This is mainly due to our strong revenue growth, particularly in the area of Artificial Intelligence. We are confident that we can continue this successful course in the coming year.

Thank you for your attention and your continued trust in Fabrikam.

Best regards,

[Name of the Speaker]

[Position]

Fabrikam