Financial Rating - CUI *****

2015-06-18 14:48:02

Company: *******

NACE Code: 4773

HIGH RATING

✓

Rating 2014 : 8.9 out of 10

Rating 2013 : 7.8 out of 10

Stable financial standing

✓ Profitability ✓ Solvency

✓ Efficiency ✓ Liquidity

The company has a stable financial situation. Operating profit margin, net profit margin and balance sheet based ratios show confortable values from a riskiness stand point.

INDICATOR	Status	Rating	Impact assessment	2013	2014
Profitability Indicators					
Net Profit Margin $= \frac{\text{Net Profit}}{\text{Sales Revenues}}\ \%$	✓	■■■■■	The Net Profit Margin is significantly better than its industry average. The company has a very low risk and has prospects for accelerated growth within its sector.	5.79 %	6.92 %
Operating Margin $= \frac{\text{Operating Profit}}{\text{Sales Revenues}}\ \%$	✓	■■■■■	The Operating Margin is significantly better than its industry average. The company has a very low risk and has prospects for accelerated growth within its sector.	7.55 %	8.47 %
Sales Growth $= \frac{\text{Sales 2013 - Sales 2012}}{\text{Sales 2012}}\ \%$	⚠	■	The evolution of Sales revenues is much weaker than the industry average. The company is riskier than the sector, as it cannot follow the growth tendency of its sector.	-12.80 %	-3.64 %
ROA $= \frac{\text{Net Profit}}{\text{Fixed Assets}}\ \%$	✓	■■■■■	The return on company's assets is significantly higher than its sector average. The company has a very low risk profile as compared to its peers and has very solid development perspectives.	163.56 %	187.96 %
ROE $= \frac{\text{Net Profit}}{\text{Equity}}\ \%$	✓	■■■	The return on company's equity is in line with its sector average, and the company has a risk profile similar with its industry. The future performance will depend upon management strategies and development plans.	18.63 %	19.04
Solvency Indicators					
Total Indebtedness $= \frac{\text{Debts}}{\text{Total Assets}}\ \%$	✓	■■■■■	The ratio of total indebtedness in total assets is significantly lower than the industry average. The company has sufficient Equity to allow it maintaining a very strong financial equilibrium in the near future.	57.81 %	47.33 %
Financial Indebtedness $= \frac{\text{Financial Debt}}{\text{Total Assets}}\ \%$	✓	■■■■■	Debt to banks and other financial institutions represent a very low percentage in total assets of the company, and the financial indebtedness is significantly lower than the average of its sector.	4.34 %	1.30 %
Debt Coverage $= \frac{\text{Operating Profit}}{\text{Total Debts}}\ \%$	✓	■■■■■	The profit from operations covers by a wide margin total company debt, and the company has enough financial resources to cover its debt payments. The ratio value is much higher than the industry average.	15.74 %	23.12 %
Interest Coverage $= \frac{\text{Operating Profit}}{\text{Financial Expense}}\ \%$	✓	■■■■■	The profit from operations covers by a wide margin interest payments for company debt, and the company has enough financial resources to cover its debt payments. The ratio value is much higher than the industry average.	10.87	42.51
Liquidity Indicators					
Current Ratio $= \frac{\text{Current Assets}}{\text{ST Liabilities}}\ \%$	✓	■■■■■	The current assets of the company – inventory, receivables, cash and bank accounts – cover by far its ST payments. The current ratio is significantly larger than the industry average.	1.65	2.01
Quick Ratio $= \frac{\text{Curr. Assets - Inventory}}{\text{ST Liabilities}}\ \%$	✓	■■■■■	The liquid assets of the company – receivables, cash and bank accounts – are significantly higher than the level the ST debt of the firm. The company has strong liquidities and accordingly will have no liquidity problems in the short term.	1.32	1.63
Efficiency Indicators					
Days Receivable $= \frac{\text{Receivables}}{\text{Sales Revenues}} \times 365\ \text{days}$	⚠	■	The company cashes in invoices to its clients at much longer terms than its industry average. Such a pattern in receivables leads to lack of cash flows, liquidity problems and financial imbalance.	216 days	205 days
Days Payable $= \frac{\text{Payables}}{\text{Operating Expenses}} \times 365\ \text{days}$	✓	■■■■■	The company pays its suppliers at much longer periods than the average of its sector. By paying at such long terms the company assures cheap financial sources, a surplus of cash, and development potential.	175 days	142 days
Days Inventory $= \frac{\text{Inventories}}{\text{(RawMat+Cons+Other)}} \times 365\ \text{days}$	✓	■■■	The company has a level of inventories consistent with its sector average. Keeping inventories at a lower level would mean a better financial management, a quicker cashing in of money and development potential.	64 days	56 days
Cash Conversion Cycle = (Days Receivables + + Inventories - Payables) days				104 days	119 days

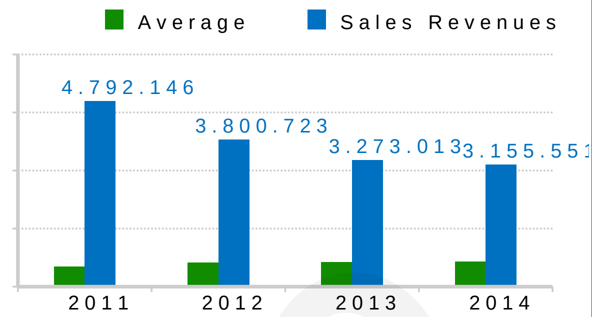
Sector Analysis – Comparison with sector average NACE code 4773

SALES REVENUES

Comparison between company's Sales Revenues and sector average.

Number of companies above and below sector average statistical data.

	2011	2012	2013	2014
Number of companies above average:	937	783	770	824
Number of companies below average:	4.494	3.878	4.050	4.381

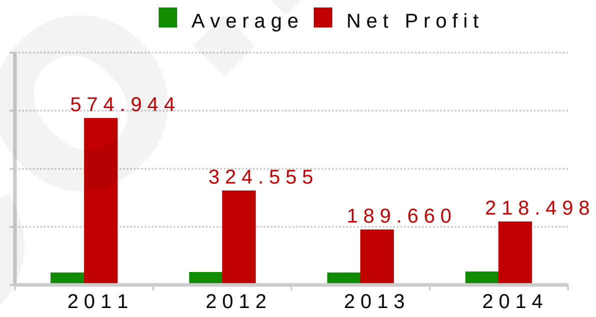


PROFITABILITY

Comparison between Net Profit/Loss and sector average.

Number of companies, which registered accounting pPofit vs Loss statistical data.

	2011	2012	2013	2014
Number of profit making companies:	4.054	3.504	3.368	3.640
Number of loss making companies:	1.377	1.157	1.452	1.565

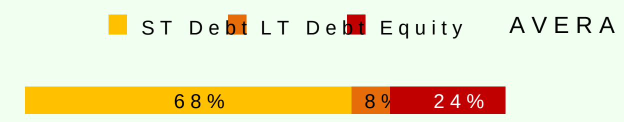


INDEBTEDNESS

Comparison between company's financing structure for the latest year and sector average.

Absolute and relative values statistics – company vs sector average.

Liabilities - 2014	ST Debt	LT Debt
Company:	1.156.162	-267
Industry:	252.083	29.395



CASH CONVERSION CYCLE

Comparison between company's and sector average Cash Conversion Cycle.

Days' Financing statistics.

Cycle - 2014	Days Financing
Company:	119 days
Industry:	25 days

BALANCE SHEET - year	2011	2012	2013	2014
Fixed Assets - Total	**143.978**	**127.555**	**115.956**	**116.246**
Current Assets - Total	**4.843.845**	**3.345.032**	**2.595.534**	**2.325.968**
Inventories	396.598	310.559	529.212	446.165
Receivables	3.961.854	2.931.451	1.932.953	1.772.872
Cash and Bank	485.392	103.020	133.368	106.930
Advance expenses	0	0	4.590	535
Liabilities	**3.758.193**	**2.203.871**	**1.570.087**	**1.156.147**
Advance revenues	200.020	126.408	128.004	139.169
Shareholders Equity - Total	**1.029.609**	**1.142.307**	**1.017.989**	**1.147.432**
Social Capital	23.149	22.579	22.298	22.310
PROFIT AND LOSS ACCOUNT				
Net Sales	**4.792.146**	**3.800.723**	**3.273.013**	**3.155.551**
Total Revenues	**4.793.416**	**3.802.048**	**3.274.557**	**3.155.594**
Total Costs	**4.116.641**	**3.421.394**	**3.050.062**	**2.894.587**
Net Profit / Loss	**574.944**	**324.555**	**189.660**	**218.498**
Average employees no.	13	16	19	19

Legal provisions regarding the requirement of publishing financial statements, according to the Order of the Finance Ministry no 1802 of 29 December 2014:
SECTION 9.1 General obligation to publish
Art 558 - Annual financial statements as approved, along with the managers' reports and the opinion of the statutory financial auditor or of the auditing company as mentioned at section 10.1 "General requirements regarding financial audit" of the present regulations, and the censors' report respectively, have to be published according to the law.
Art 559 - Possibility of obtaining, at request, copies of the financial statements of companies cannot be denied. The price of such a copy should not be set above the administrative cost of providing it.