Rating Summary and Strategic Profile for [redacted] Company Name 2

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SEC Company Reg. No.:	111-111
SEC Reg. Date:	01/22/2020
Company TIN:	111-111-111
Business Address:	123, NCR, City of Manila, First District, 8001
Telephone Number:	81234567
Company Email:	aaa@gmail.com

Company Profile:

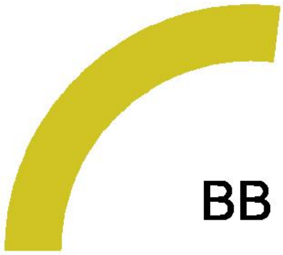
Please describe the company's business.

Philippine Standard Industrial Classification:

Industry Section:	Electricity, Gas, Steam, and Air Conditioning Supply
Industry Division :	Electricity, gas, steam and air conditioning supply
Industry Group:	Electric Power Generation, Transmission and Distribution

Asset Size:	PHP 483,482,000.00 (Large)
Estimated Headcount :	Medium 100-199

Financial Condition (2019 - 2021)



Financial Position Rating: **CC**   Financial Performance Rating : **AAA**

Significance of Rating

Currently has the capacity to meet financial commitment on loans. However, adverse business, financial, or economic conditions will likely impair the capacity or willingness to meet debt obligations.

Note: Probabilistic FS Earnings Manipulator

The Good

- The cash ratio is 0.34 at the end of the period (a high cash at hand required for current payments).
- High return on equity (564.70% per annum), which became mainly a result of low percentage of own capital(equity).
- Excellent return on assets, which was 120.30% during the 2021.
- The net worth is higher than the share capital of the company.
- The equity growth for the period analyzed (from 31 December, 2018 to 31 December, 2021) did not exceed the total rate of assets value growth.
- During the entire period reviewed, earnings before interest and taxes (EBIT) showed PHP530,843.00, at the same time, a positive change in comparison with the previous value.
- The income from financial and operational activities (comprehensive income) was PHP525,659.00 during the year.

The Bad

- The debt ratio has an unsatisfactory value 0.78 caused by a high percentage of liability, 78.20% of total capital of the company).
- Not enough long-term resources of financing company activity (no working capital)
- The current ratio 0.85 is significantly lower than the standard value (2).
- Liquid assets (current assets minus inventories) are not enough to meet current liabilities (quick ratio is equal to 0.58, while the acceptable value is 1).

Recommendation

Based on the given traits and financial information, the company strategist may consider the following next steps: 1. Improve cash management: Since the cash ratio is low, the company should focus on increasing the cash at hand to ensure smooth current payments. 2. Enhance profitability: Although the earnings before interest and taxes (EBIT) showed positive dynamics, the company strategist should continue to find ways to improve profitability to achieve higher comprehensive income. 3. Optimize capital structure: The high return on equity suggests that the company is heavily reliant on debt. The strategist should aim to increase the percentage of own capital to reduce the debt ratio and improve the financial health of the company. 4. Increase asset efficiency: Despite the excellent return on assets, the company should focus on increasing the growth rate of equity to match the growth in total assets. 5. Improve liquidity position: The current and quick ratios suggest a lack of sufficient liquid assets to meet current liabilities. The strategist should find ways to increase working capital and ensure that the company has enough resources to cover its short-term obligations. 6. Explore long-term financing options: Given the insufficient long-term resources for financing company activities, the strategist should evaluate alternative financing options, such as attracting investment or securing long-term loans, to support the growth and stability of the company.

Cash Conversion Cycle

Turnover Ratio	Value, Days			Change, days Col.4 - Col.2
	2019	2020	2021	
1	2	3	4	4
Days Sales Outstanding	33	54	52	+19
Days Payable Outstanding	-59	-75	-80	-21
Days Inventory Outstanding	-6	-9	-12	-6
Cash Conversion Cycle	86	121	120	+34

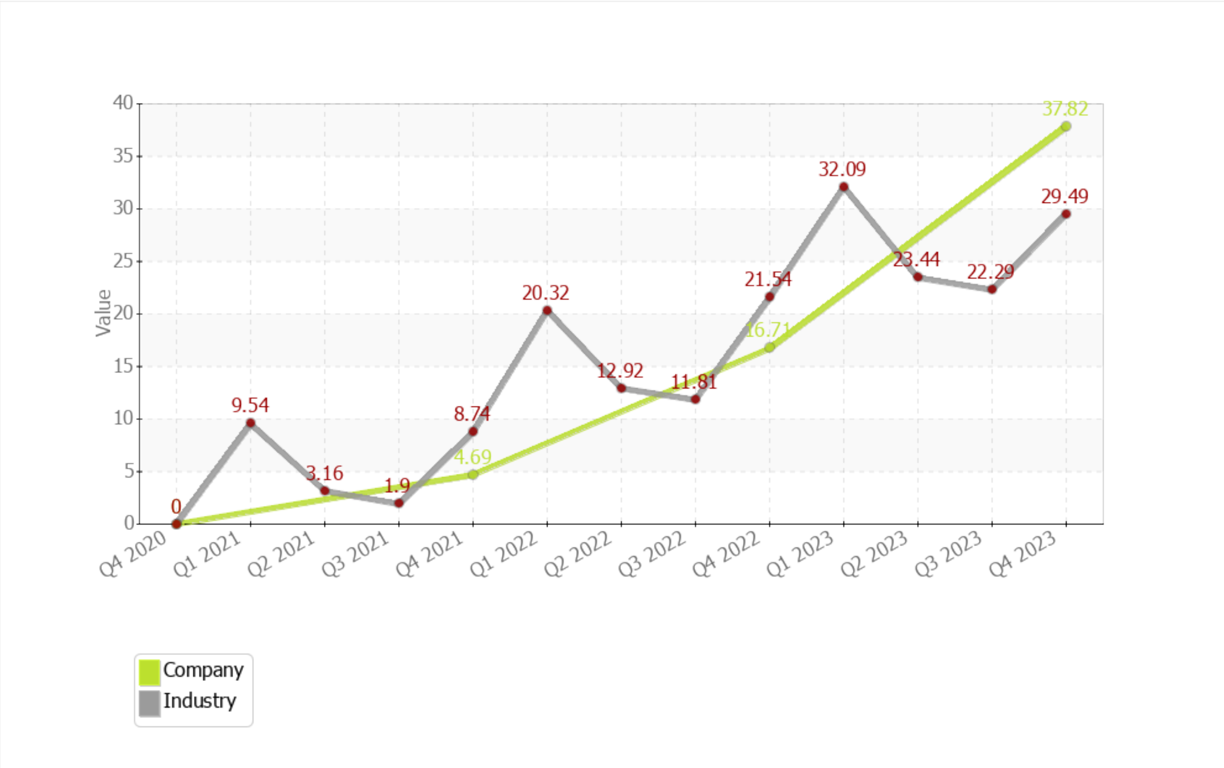
Insights on Company Cash Conversion Cycle:

The company strategist would observe that the company's cash conversion cycle has increased over the past three years, indicating a potential decrease in efficiency in converting assets into cash. Despite this, the company is able to receive cash before paying suppliers due to negative Days Payable Outstanding. However, Days Sales Outstanding and Days Inventory Outstanding have increased, suggesting slower customer payments and longer inventory holding periods. This may impact cash flow and liquidity. As the company operates in the Electricity, Gas, Steam, and Air Conditioning Supply industry in the NCR area of the Philippines, the strategist should monitor the impact of these insights on operations and consider strategies to improve efficiency and optimize cash flow.

Return on Equity Drivers

	2019	**2020**	**2021**
Net Income	PHP 547,968.00	PHP 475,957.00	PHP 525,659.00
Revenue	PHP 318,315.00	PHP 275,304.00	PHP 318,547.00
Profit Margin	**172.15**	**172.88**	**165.02**
Ave. Assets	PHP 346,635.00	PHP 373,643.00	PHP 436,874.50
Ave. Equity	PHP 84,064.00	PHP 82,986.00	PHP 93,087.00
Asset Turnover	**0.92**	**0.74**	**0.73**
Financial Leverage	**3.19**	**3.83**	**3.59**
Return on Equity	**651.85%**	**573.54%**	**564.70%**

Growth Forecast



The industry starts off with the industry gaining a boost.
Two years forward, markets are able to rise.
Three years on, there is an uptick in industry performance.

Overall Growth Forecast of the company is +37.8% over three years forward.

What am I looking at?
The Growth Forecast graph is meant to present CreditBPO's own forecast for expected industry growth alongside expected company growth 1, 2 and 3 years forward. Calculation emphasis was placed on keeping the base numbers used for both trendlines raw and pushing multivariable series analysis into the trend line itself.

The purpose of the Industry Comparison Graph is to compare the Industry and the Company using metrics that are calculated from current (as opposed to forecast) figures. This is important because the metrics used must be exactly the same in terms of both source and derivation. In perspective, it is a static measure of how the company of the data-specific period compares to the greater industry of the same period.

Given the aims for both graphs explained above, the figures used differ by their very nature. For example, Revenue Growth is used in both graphs but the Industry figure in Growth Forecast is very different from the one in Industry Comparison. This is because the Industry Comparison figure is averaged out over thousands of companies for which we have individual figures. The overall Growth Forecast is based on the entire Industry indicator which includes companies for which there is no sufficient granular data.

Industry Comparison

> Electricity, Gas, Steam, and Air Conditioning Supply
>> Electricity, gas, steam and air conditioning supply
>>> Electric Power Generation, Transmission and Distribution

Gross Revenue Growth vs. Industry 0.07 vs 15.52
Business growth is lagging behind industry average.

Net Income Growth vs. Industry -4.07 vs -1.45
Final profit growth is underperforming industry average.

Gross Profit Margin vs. Industry 174.00 vs 26.30
The company's potential for growth is greater than industry average.

Current Ratio vs. Industry 0.85 vs 1.47
Company is less able to meet short term obligations than most competitors.

Debt-to-Equity vs. Industry 3.59 vs 1.35
Business liabilities in proportion to equity is higher than industry standard. This is associated with higher credit risk.

[redacted] Company Name 2's Financial Condition Analysis for the period of (01/01/2019) to (12/31/2021)

1. [redacted] Company Name 2's Financial Position Analysis

The following report analyzes [redacted]Company Name 2's financial condition based on the financial statements data prepared according to International Financial Reporting Standards (IFRS) for the period from 01/01/2019 to 12/31/2021.

1.1 Structure of the Assets and Liabilities

Indicator	Value						Change for the period analyzed	
	in *thousand* PHP				% of the balance total			
	12/31/2018	12/31/2019	12/31/2020	12/31/2021	at the beginning of the period analyzed (12/31/2018)	at the end of the period analyzed (12/31/2021)	*thousand PHP* (col.5-col.2)	± % ((col.5-col.2) : col.2)
1	2	3	4	5	6	7	8	9
Assets								
1. Non-current assets	220,907	239,330	261,885	346,463	65.7	71.7	+125,556	+56.8
2. Current assets, total	115,344	117,689	128,382	137,019	34.3	28.3	+21,675	+18.8
Inventories	3,812	4,558	5,484	9,817	1.1	2.0	+6,005	+157.5
Trade and other current receivables	28,538	28,921	52,451	38,509	8.5	8.0	+9,971	+34.9
Cash and cash equivalents	36,471	38,262	50,912	55,007	10.8	11.4	+18,536	+50.8
Equity and Liabilities								
1. Equity	82,887	85,241	80,731	105,443	24.7	21.8	+22,556	+27.2
2. Non-current liabilities	137,847	144,217	166,935	216,469	41.0	44.8	+ 78,622	+ 57.0

3. Current liabilities	115,517	127,561	142,601	161,570	34.4	33.4	+46,053	+39.9
Assets; Equity and Liabilities	**336,251**	**357,019**	**390,267**	**483,482**	**100**	**100**	**+147,231**	**+43.8**

On the last day of the period analyzed, [redacted]Company Name 2's assets were divided into 71.7% non-current assets and 28.3% current assets.

The assets underwent a sharp increase from PHP 336,251 to PHP 483,482 (by PHP 147,231 or by 43.8%) for the entire period reviewed.

The company's assets grew simultaneously with equity (+27.2% for the entire period reviewed). The growth in equity value positively describes the dynamics of [redacted] Company Name 2's financial state.

The increase in total assets of [redacted] Company Name 2 occurred due to the growth of the following asset types (amount of change and percentage of this change relative to the total assets growth are shown below):

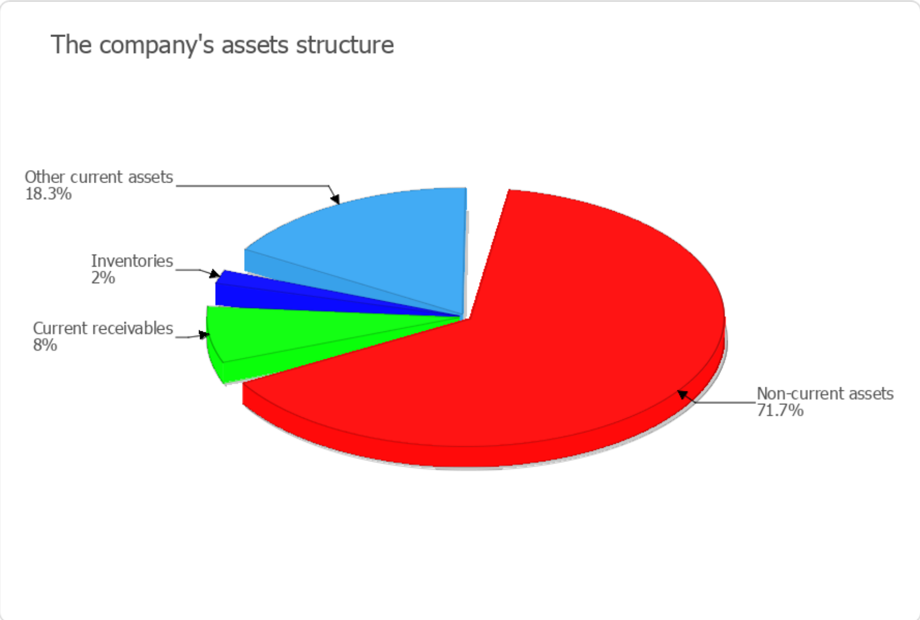
- Property, plant and equipment – PHP 85,933 (44.4%)
- Other non-current non-financial assets – PHP 39,032 (20.2%)
- Cash and cash equivalents – PHP 18,536 (50.8%)
- Intangible assets other than goodwill – PHP 13,295 (6.9%)
- Investments in subsidiaries, joint ventures and associates – PHP 12,137 (6.3%)
- Trade and other current receivables – PHP 9,971 (34.9%)
- Current inventories – PHP 6,005 (157.5%)

The most significant growth of sources of finance ("Equity and Liabilities") is seen on the following positions (the percentage from total equity and liabilities change is shown in brackets):

- Other non-current non-financial liabilities – PHP 48,880 (31.5%)
- Other long-term financial liabilities – PHP 27,975 (18%)
- Other current financial liabilities – PHP 22,677 (14.6%)
- Trade and other current payables – PHP 16,925 (10.9%)
- Retained earnings – PHP 13,472 (8.7%)
- Non-controlling interests – PHP 9,394 (6.1%)
- Other current provisions – PHP 8,374 (5.4%)

Negative change in the items "Other non-current financial assets" in assets and "Other non-current provisions" in finance, which were loss PHP -33,261 and PHP -3,888 respectively, did not allow the total assets of the company to increase to a greater degree.

In the chart below, you will see a correlation of the basic groups of the company's assets.



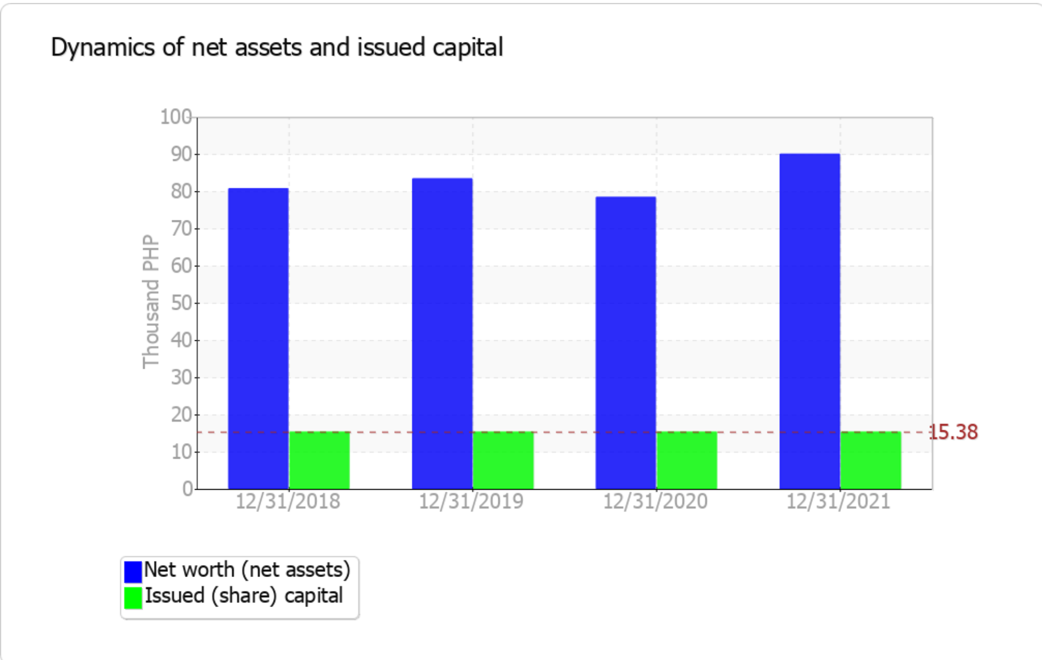
During the period analyzed, the inventories amounted to PHP 9,817. For the period analyzed, the inventories sharply spiked to PHP 6,005 , or by 157.5% for the entire period reviewed.

1.2. Net Assets (Net Worth)

Indicator	Value						Change	
	in PHP		% of the balance total					
	at the beginning of the period analyzed (12/31/2018)	at the end of the period analyzed (12/31/2021)	12/31/2018	12/31/2019	12/31/2020	12/31/2021	PHP (col.3-col.2)	% ((col.3-col.2) : col.2)
1	2	3	4	5	6	7	8	9
1. Net Tangible assets	80,795	90,056	24	23.4	20.1	18.6	+9,261	+11.5
2. Net assets(Net Worth)	82,887	105,443	24.7	23.9	20.7	21.8	+22,556	+27.2
3. Issued (share) capital	15,384	15,384	4.6	4.3	3.9	3.2	-	-
4. Difference between net assets and Issued (share) capital (line 2 - line 3)	67,503	90,059	20.1	19.6	16.7	18.6	+22,556	+33.4

The net tangible assets were equal to PHP 90,056 at the end of the period reviewed. During the entire period reviewed, it was seen that there was significant growth in net tangible assets, which was PHP +9,261 , or 11.5%

The net worth (net assets) of [redacted]Company Name 2 was much higher (by 6.9 times) than the share capital on the last day of the period analyzed (12/31/2021). Such a ratio positively describes the company's financial position.Net worth is used as a measure of the company's book value (as opposed to a shareholder's value, the value based on expected earnings and other methods used to estimate the company's value). In this case, net worth remains a key value in the estimation of a company's financial condition.



The issued (share) capital did not change during the whole of the analyzed period.

1. 3 Financial Sustainability Analysis

1.3.1 Key Ratios of the Company's Financial Sustainability

Ratio	Value				Change (Col5-Col.2)	Description of the ratio and it's recommended value
	12/31/2018	12/31/2019	12/31/2020	12/31/2021		
1	2	3	4	5	6	7

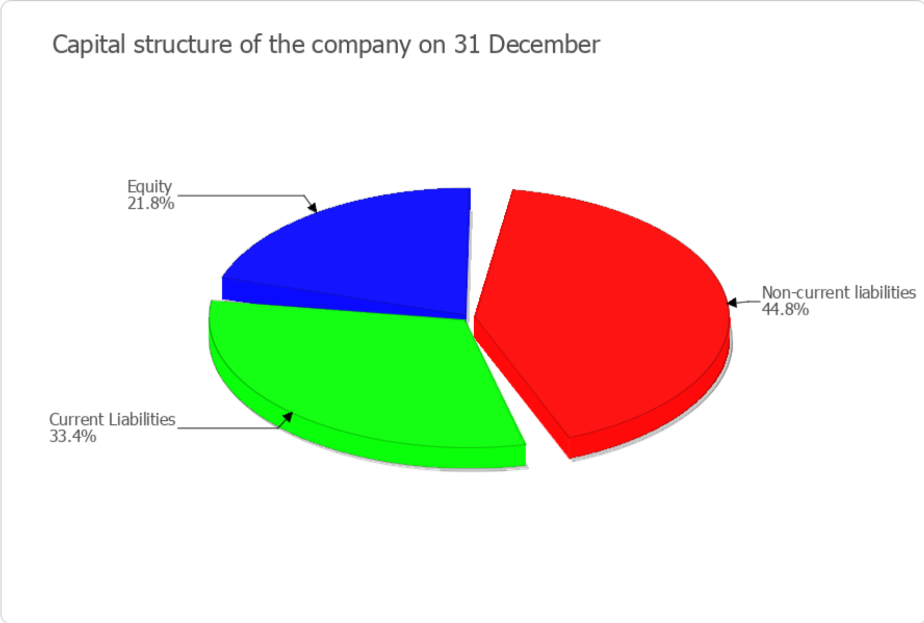
Debt-to-equity ratio (financial leverage)	3.06	3.19	3.83	3.59	+0.53	A debt-to-equity ratio is calculated by taking the total liabilities and dividing it by shareholders' equity. It is the key financial ratio and used as a standard for judging a company's financial standing. Normal value: 1.5 or less (optimum 0.43-1).
Debt ratio (debt to assets ratio)	0.75	0.76	0.79	0.78	+0.03	A debt ratio is calculated by dividing total liabilities (i.e. long-term and short-term liabilities) by total assets. It shows how much the company relies on debt to finance assets (similar to debt-to-equity ratio). Normal value: 0.6 or less (optimum 0.3-0.5).
Long-term debt to Equity	1.66	1.69	2.07	2.05	+0.39	This ratio is calculated by dividing long-term (non-current) liabilities by equity.
Non-current assets to Net worth	2.67	2.81	3.24	3.29	+0.62	This ratio is calculated by dividing long-term (non-current) liabilities by net worth (equity) and measures the extent of a company's investment in low-liquidity non-current assets. This ratio is important for comparison analysis because it's less dependent on industry (structure of company's assets) than debt ratio and debt-to-equity ratio.Normal value: no more than 1.25.
Capitalization ratio	0.62	0.63	0.67	0.67	+0.05	Calculated by dividing non-current liabilities by the sum of equity and non-current liabilities.
Fixed assets to Net worth	1.71	1.79	2.04	2.16	+0.45	This ratio indicates the extent to which the owners' cash is frozen in the form of fixed assets, such as property, plant, and equipment, investment property and non-current biological assets. Normal value: 0.75 or less.
Current Liability Ratio	0.46	0.47	0.46	0.43	-0.03	Current liability ratio is calculated by dividing non-current liabilities by total (i.e. current and non-current) liabilities.

First, attention should be drawn to the debt-to-equity ratio and debt ratio as the ratios describing the capital structure. Both ratios have similar meaning and indicate if there is not enough capital (equity) for stable work for the company. Debt-to-equity ratio is calculated as a relationship of the borrowed capital (liabilities) to the equity, while debt ratio is calculated as a relationship of the liabilities to the overall capital (i.e. the sum of equity and liabilities).

On 31 December, 2021, the debt-to-equity amounted to 3.59. At the end of the period analyzed, the debt ratio was 0.78, which is slightly (+0.03) higher than at the beginning of period.

The value of the debt ratio for [redacted] Company Name 2 indicates an excessive percentage of liabilities on 31 December, 2021, which equaled 78.2% of total capital. It is believed that liabilities should not be more than 60%. If not, dependence from creditors increases too much and the financial stability of the company suffers. When the structure of capital is normal, the debt ratio is no more than 0.6 (optimum 0.3-0.5).

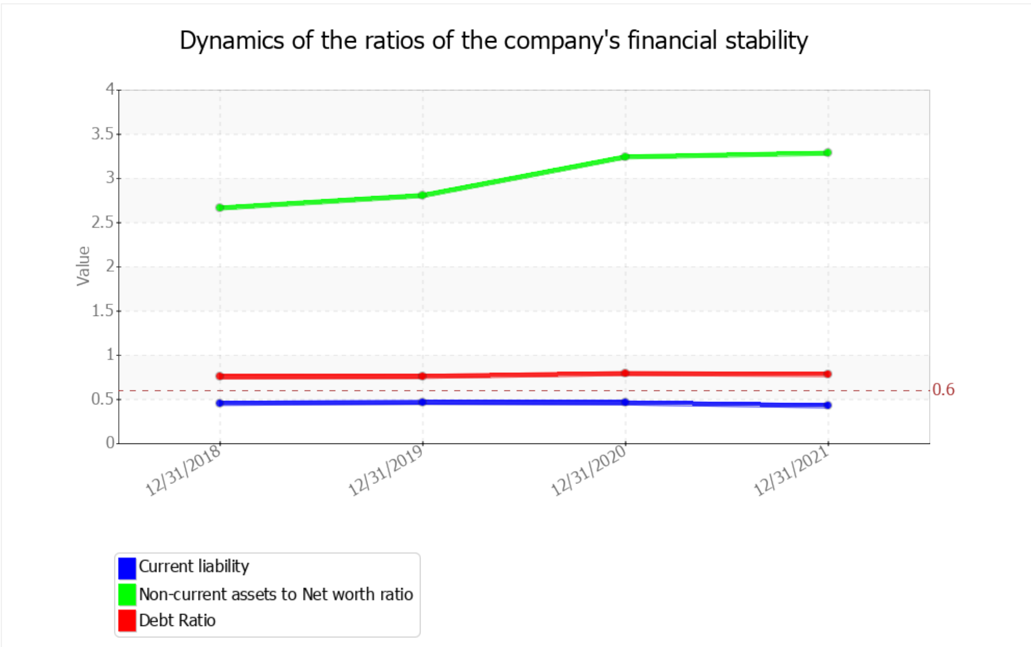
The structure of the company's capital is shown in the chart below:



According to common rules, non-current investments should be made, in the first place, with the help of the most stable source of financing, i.e. with the help of own capital (equity). The non-current assets to Net worth ratio shows if this rule is followed. The ratio was equal to 3.29 on 12/31/2021. During the period reviewed (31.12.2018–31.12.2021), the ratio rapidly increased (0.62).

The current liability ratio shows that current and noncurrent liabilities of the company are almost equal (42.7% and 57.3%, respectively).

The following chart demonstrates the dynamics of the main ratios of financial stability of [redacted] Company Name 2.

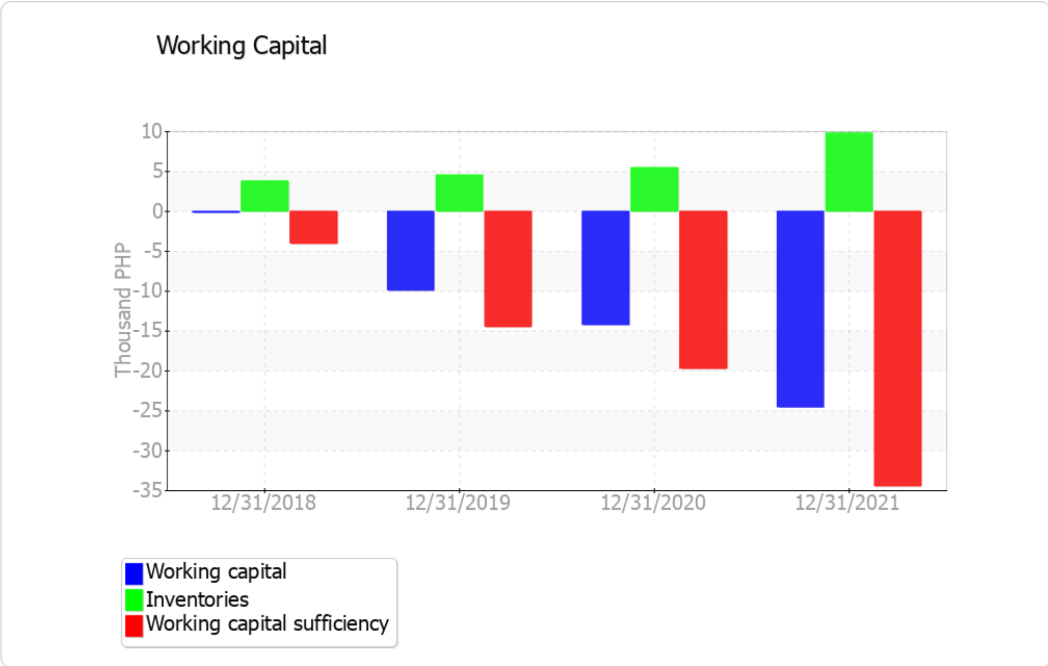


1.3.2 Working Capital Analysis

Indicator	Value				Change for the period analyzed	
	12/31/2018	12/31/2019	12/31/2020	12/31/2021	(Col.5-col.2)	((Col.5-col.2) : col.2)
1	2	3	4	5	6	7
1. Working capital (net working capital), PHP	-173	-9,872	-14,219	-24,551	-24,378	+141.9times
2. Inventories, PHP	+3,812	+4,558	+5,484	+9,817	+6,005	-
3. Working capital sufficiency (1-2), PHP	-3,985	-14,430	-19,703	-34,368	-30,383	+8.6 times

4. Inventory to working capital ratio (2:1) Acceptable value: no more than 1.	-22.03	-0.46	-0.39	-0.40	+21.63	x

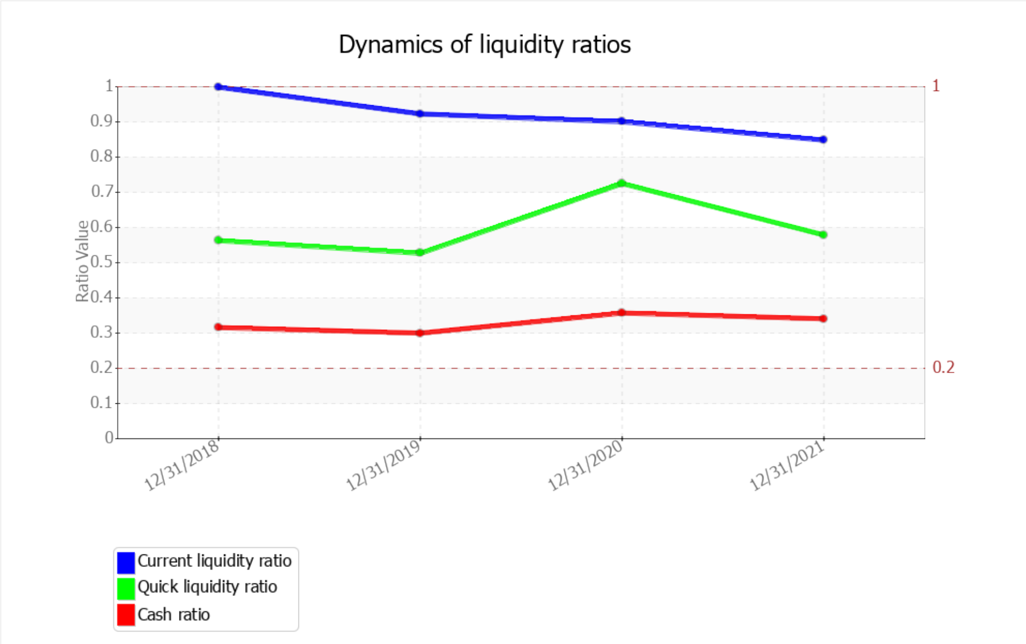
[redacted] Company Name 2 has no working capital on 31 December, 2021 (the amount has a negative value of PHP 24,551). It was caused by exceeding the current liabilities by the sum of the current assets of the company. Under these circumstances, comparison of working capital with inventories makes no sense. It is deemed to be normal when the inventory to working capital ratio makes not less than 1.



1.4. Liquidity Analysis

One of the most widespread indicators of a company's solvency are liquidity ratios. There are three liquidity related ratios: current ratio, quick ratio and cash ratio. Current ratio is one of the most widespread and shows to what degree the current assets of the company are meeting the current liabilities. The solvency of the company in the near future is described with the quick ratio which reflects if there are enough fund's for normal execution of current transactions with creditors. All three ratios for [redacted] Company Name 2 are calculated in the following table.

Liquidity ratio	Value				Change (col.5 - col.2)	Description of the ratio and it's recommended value
	12/31/2018	12/31/2019	12/31/2020	12/31/2021		
1	2	3	4	5	6	7
1. Current ratio (working capital ratio)	1.00	0.92	0.90	0.85	-0.15	The current ratio is calculated by dividing current assets by current liabilities. It indicates a company's ability to meet short-term debt obligations. Acceptable value: 2 or more.
2. Quick ratio	0.56	0.53	0.72	0.58	+0.02	The quick ratio is calculated by dividing liquid assets (cash and cash equivalents, trade and other current receivables, other current financial assets) by current liabilities. It is a measure of a company's ability to meet its short-term obligations using its most liquid assets (near cash or quick assets). Normal value: 1 or more.
3. Cash ratio	0.32	0.30	0.36	0.34	+0.02	Cash ratio is calculated by dividing absolute liquid assets (cash and cash equivalents) by current liabilities. Normal value: 0.2 or more.

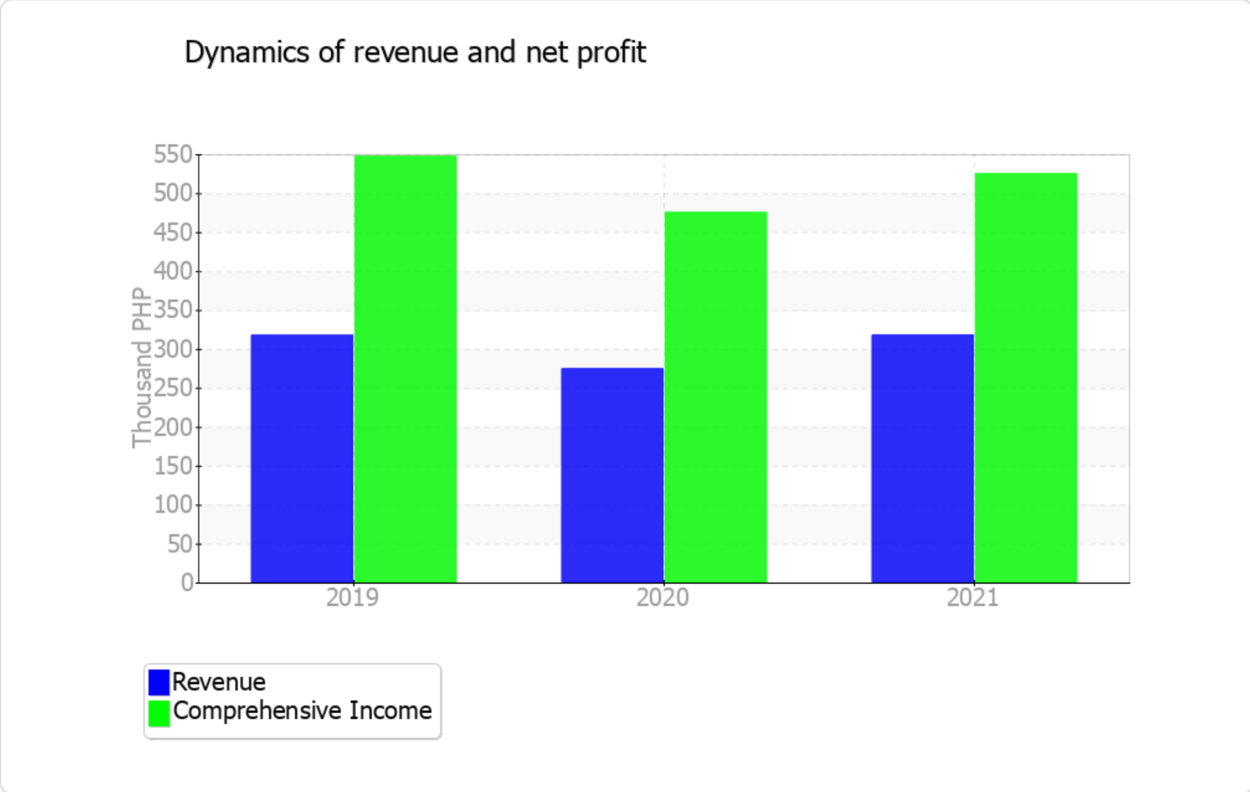


2.1 Overview of the Financial Results

Indicator	Value, PHP			Change		Average annual value, PHP
	2019	2020	2021	PHP (col.4 - col.2)	± % (4-2) : 2	
1	2	3	4	5	6	7
1. Revenue	318,315	275,304	318,547	+232	+0.07	304,055
2. Cost of sales	-249,762	-212,975	-237,414	+12,348	-4.94	-233,384
3. *Gross profit* (1-2)	568,077	488,279	555,961	-12,116	-2.13	537,439
4. Other income and expenses, except Finance costs	-13,173	-7,650	-25,118	-11,945	90.68	-15,314
5. *EBIT* (3+4)	554,904	480,629	530,843	-24,061	-4.34	522,125
5.1 *EBITDA*	563,634	489,184	543,342	-20,292	-3.60	532,053
6. Finance costs	-1,607	-1,594	-3,728	-2,121	+131.99	-2,310
7. Income tax expense (from continuing operations)	8,543	6,266	8,912	+369	+4.32	7,907
8. Profit (loss) from continuing operations (5-6-7)	547,968	475,957	525,659	-22,309	-4.07	516,528
9. Profit (loss) from discontinued operations	-	-	-	-	-	-
10. Profit (loss) (8+9)	**547,968**	**475,957**	**525,659**	**-22,309**	**-4.07**	**516,528**
11. Other comprehensive income	-	-	-	-	-	-
12. Comprehensive income (10+11)	547,968	475,957	525,659	-22,309	-4.07	516,528

The revenue equaled 318,547 for the last year, while the revenue was significantly lower and equaled PHP 275,304 for the year 0 (i.e. it grew by PHP 43,243). The change in revenue is demonstrated on the chart. The gross profit was equal to PHP 555,961 during the last year. For the last year in comparison with the same period of the prior financial year, it was observed that there was an outstanding increase in the gross profit amount (PHP 553,941).

For the last year, the company posted a gross profit PHP 555,961 and earnings before interest and taxes (EBIT), which was 530,843.00 . The comprehensive income of [redacted] Company Name 2 was PHP 525,659 in total for the period from 01/01/2021 to 12/31/2021.



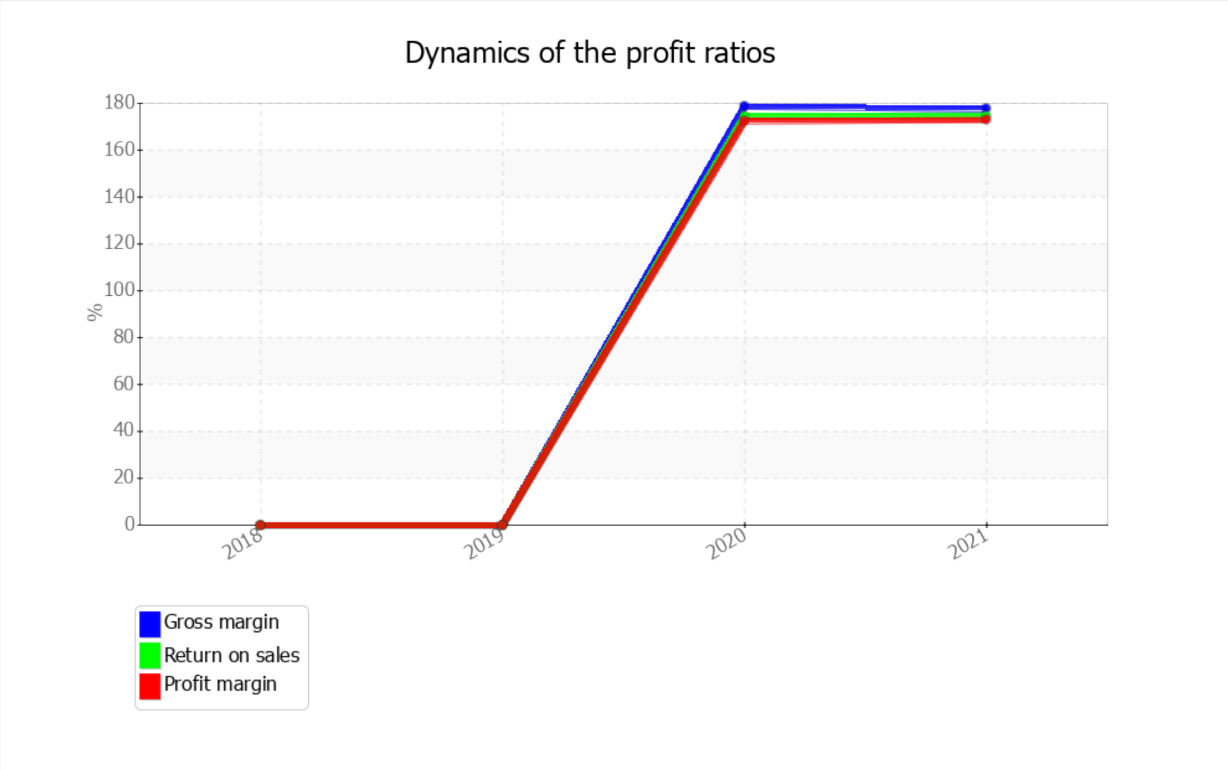
2.2 Profitability Ratios

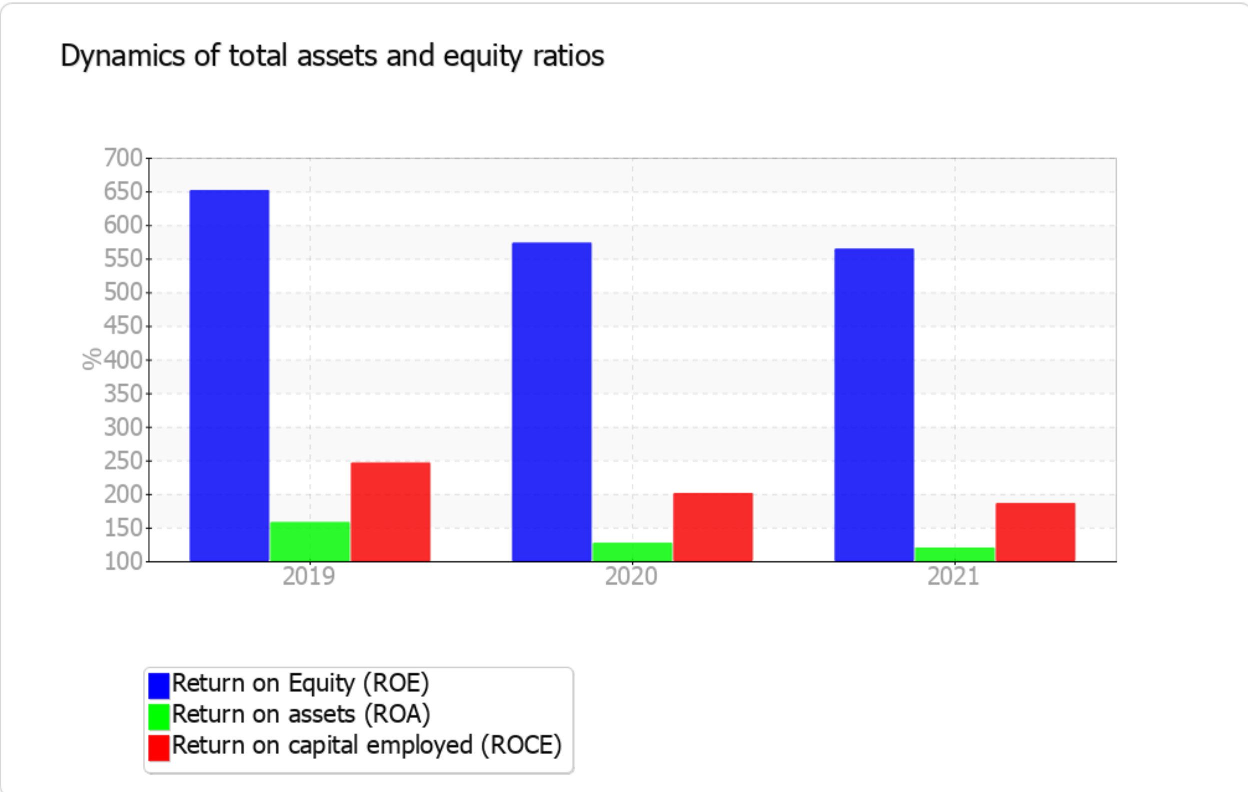
Profitability Ratios	Value in %			Change (col.4 - col.2)
	2019	2020	2021	
1	2	3	4	5
1. Gross margin.	178.5	177.4	174.5	-4
2. Return on sales (operating margin).	174.3	174.6	166.6	-7.7
3. Profit margin.	172.1	172.9	165	-7.1
>Reference: Interest coverage ratio (ICR). Acceptable value: no less than 1.5.	0	0	0	0

All three profitability ratios given in the table have positive values for the last year, as the company gained gross profit and comprehensive income from operational and financial activity for this period. The gross margin equaled 174.5% during the last year. For the last year in comparison with the same period of the prior financial year, the gross margin significantly decreased (by -4.0%).

The profitability calculated by earnings before interest and taxes (Return on sales) is more important from a comparative analyzes point of view. For the period 01/012021 – 12/31/2021, the return on sales was 166.6% , and profitability calculated by net profit was 165.0% per annum.

Profitability Ratios	Value in %			Change (col.4 - col.2)	
	2019	2020	2021		
1	2	3	4	5	6
Return on equity (ROE)	651.8	572	564.7	-87.1	ROE is calculated by taking a year's worth of earnings (net profit) and dividing them by the average shareholder equity for that period and is expressed as a percentage. It is one of the most important financial ratios and profitability metrics. Acceptable value: 12% or more.
ROE, calculated using comprehensive income	651.8	572	564.7	-87.1	This ratio is similar to the previous one, but is calculated using comprehensive income instead of net profit. It shows the companies ability to generate profits before leverage, rather than by using leverage. Acceptable value: 12% or more.
Return on assets (ROA)	158.1	127	120.3	-37.8	ROA is calculated by dividing net income by total assets and displayed as a percentage. Acceptable value: 6% or more.
ROA, calculated using comprehensive income	158.1	127	120.3	-37.8	This ratio is similar to the previous one, but is calculated using comprehensive income instead of net profit. Normal value: 6% or more.
Return on capital employed (ROCE)	246.5	200.9	186.4	-60.1	ROCE is calculated by dividing EBIT by capital employed (equity plus non-current liabilities). It indicates the efficiency and profitability of a company's capital investments.





2. 3 Analysis of the Business Activity (Turnover Ratios)

Further in the table, the calculated rates of turnover of assets and liabilities describe how quickly prepaid assets and liabilities to suppliers, contractors and staff are affected. Turnover ratios have strong industry specifics and depend on activity. This is why an absolute value of the ratios does not permit making a qualitative assessment. When assets turnover ratios are analyzed, an increase in ratios (i.e. velocity of circulation) and a reduction in circulation days are deemed to be positive dynamics. There is no well-defined interaction for accounts payable and capital turnover. In any case, an accurate conclusion can only be made after the reasons that caused these changes are considered.

Turnover Ratio	Value, Days 2019	2020	2021	Ratio 2019	Ratio 2021	Change, days Col.4 - Col.2
1	2	3	4	5	6	7
Receivables turnover (days sales outstanding) (average trade and other current receivables divided by average daily revenue*)	33	54	52	11.1	7.0	+19
Accounts payable turnover (days payable outstanding) (average current payables divided by average daily purchases)	-59	-75	-80	<0.1	<0.1	-21
Inventory turnover (days inventory outstanding) (average inventory divided by average daily cost of sales)	-6	-9	-12	<0.1	<0.1	-6
Asset turnover (average total assets divided by average daily revenue)	397	497	501	0.9	0.7	+104
Current asset turnover (average current assets divided by average daily revenue)	134	164	152	2.7	2.4	+18
Capital turnover (average equity divided by average daily revenue)	96	110	107	3.8	3.4	+11
Reference: Cash conversion cycle (days sales outstanding + days inventory outstanding - days payable outstanding)	86	121	120	x	x	+34

During the last year, the average collection period (Days Sales Outstanding) was 52 days and the average days payable outstanding was -80 days as shown in the table. The rate of asset turnover means that [redacted]Company Name 2 gains revenue equal to the sum of all the available assets every 465 days (on average during the period analyzed).

Conclusion

3.1 Key Ratios Summary

The main financial state indicator values and [redacted]Company Name 2's activity results are classified by qualitative assessment according to the results of the analysis during the period reviewed (from 31 December, 2018 to 31 December, 2021) and are given below.

There are the following definitely good financial indicators:

- The cash ratio is 0.34 at the end of the period (a high cash at hand required for current payments).
- High return on equity (564.70% per annum), which became mainly a result of low percentage of own capital(equity).
- Excellent return on assets, which was 120.30% during the 2021.
- The net worth is higher than the share capital of the company.
- The equity growth for the period analyzed (from 31 December, 2018 to 31 December, 2021) did not exceed the total rate of assets value growth.
- During the entire period reviewed, earnings before interest and taxes (EBIT) showed PHP 530,843.00, at the same time, a positive change in comparison with the previous value.
- The income from financial and operational activities (comprehensive income) was PHP 525,659.00 during the year.

The analysis revealed the following unacceptable financial characteristics

- The debt ratio has an unsatisfactory value 0.78 caused by a high percentage of liability, 78.20% of total capital of the company).
- Not enough long-term resources of financing company activity (no working capital)
- The current ratio 0.85 is significantly lower than the standard value (2).
- Liquid assets (current assets minus inventories) are not enough to meet current liabilities (quick ratio is equal to 0.58, while the acceptable value is 1).