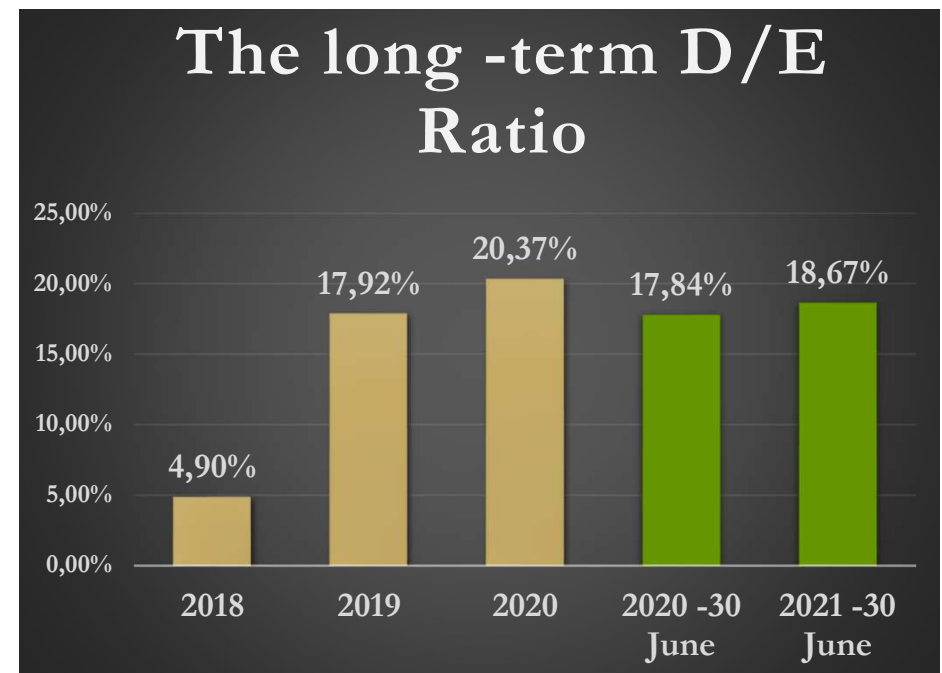
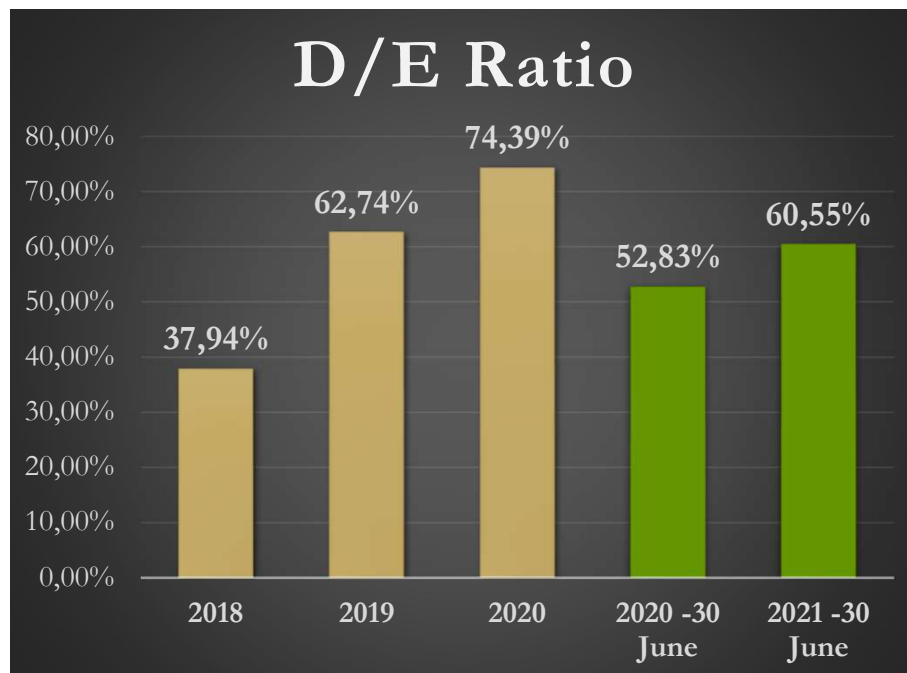


# DISCUSS ON CURRENT D/E RATIO(2020) AND THE POSSIBLE REASONS



(Clarksons PLC, 2021) (Clarksons PLC, 2020)

## D/E RATIO

### TOTAL DEBT/TOTAL EQUITY

#### 1-Increase in Liabilities

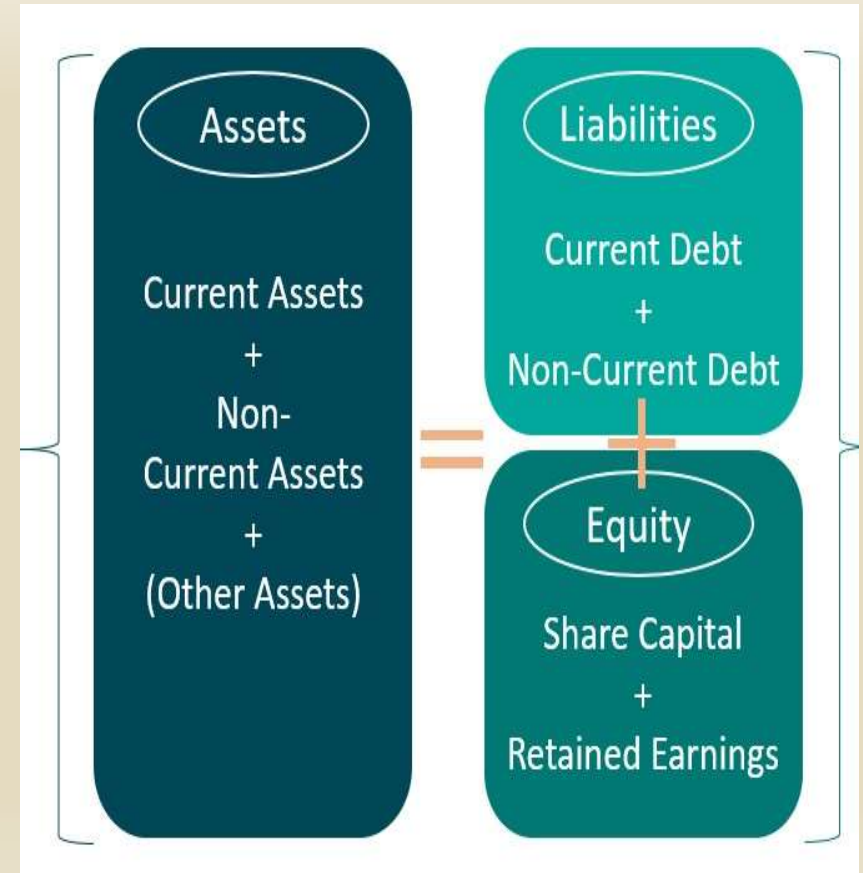
- Current Liabilities
- Non-current liabilities

#### 2-Decrease in Assets

- Decrease in Current assets
- Decrease in Non-current assets

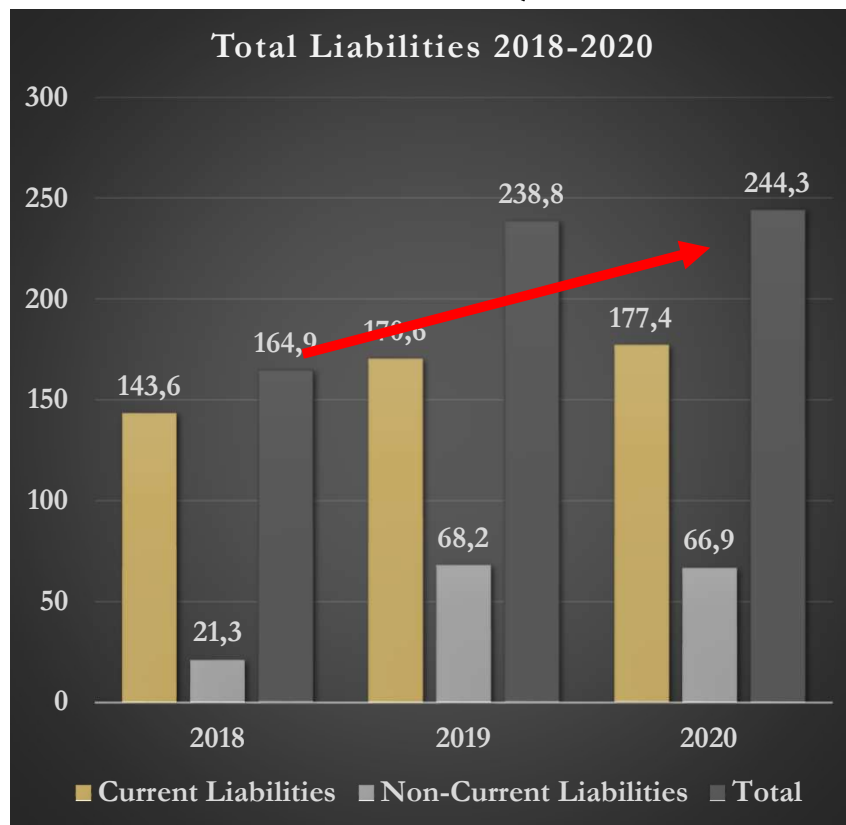
#### 3-Decrease in Equity

- Decrease in Retained earnings (increase in Dividends payments)
- Decrease in Retained earnings (decrease in net income....)
- Decrease in share Capital

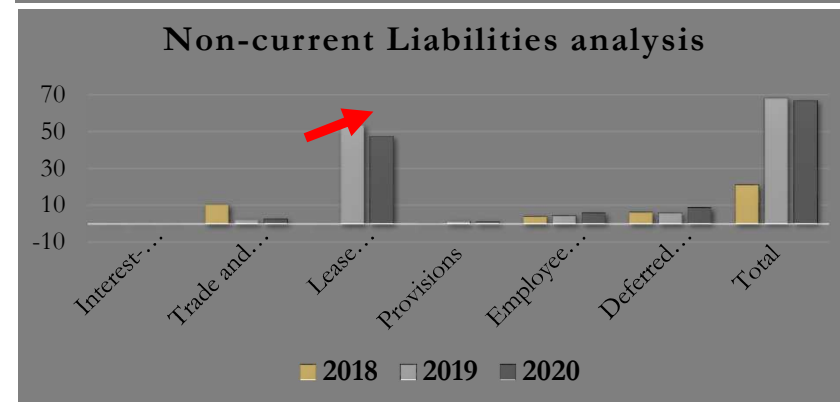
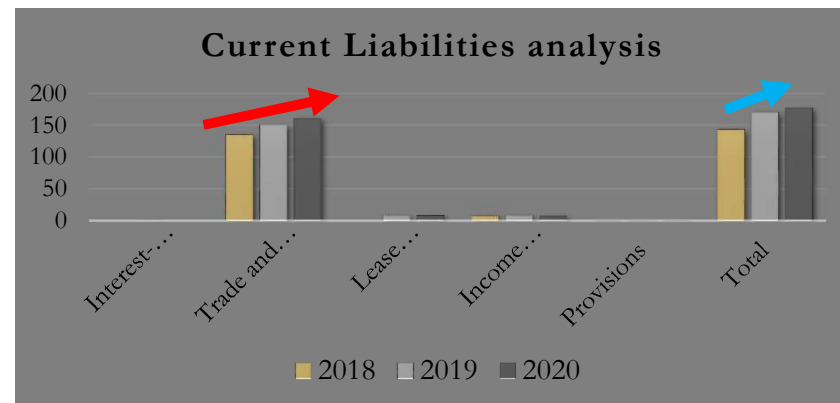


(Merger-strategy., 2021)

## EVALUATING THE POSSIBLE REASONS (LIABILITIES FROM 2018-2020)



(Clarksons PLC, 2020) (Clarksons PLC, 2019)



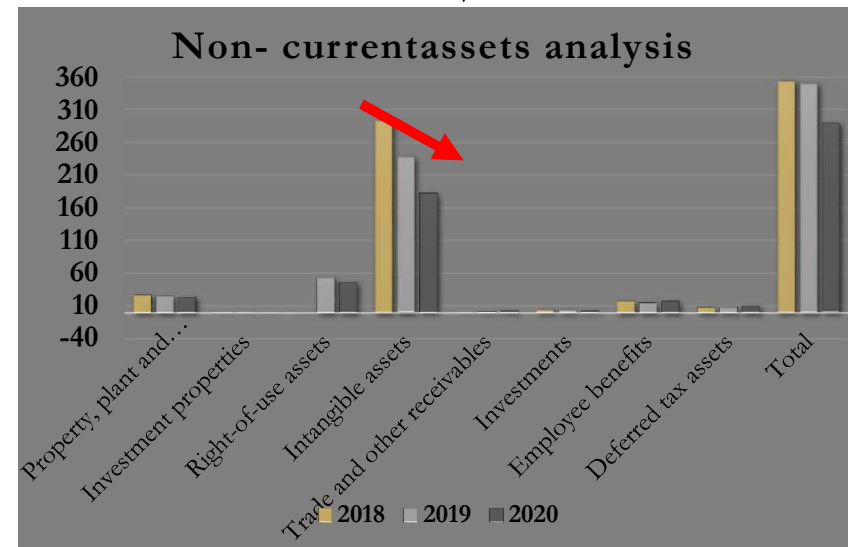
# EVALUATING THE POSSIBLE REASONS (ASSETS FROM 2018-2020)

## ASSETS

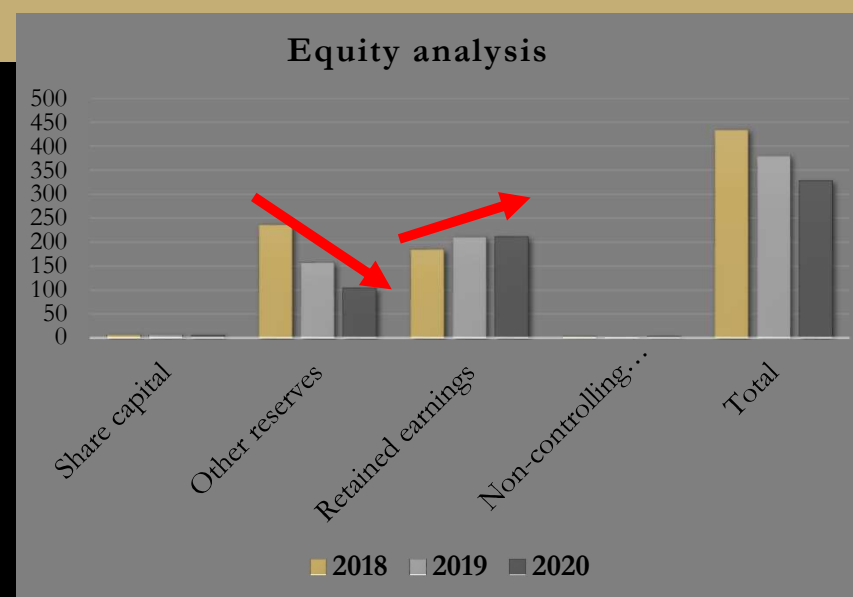
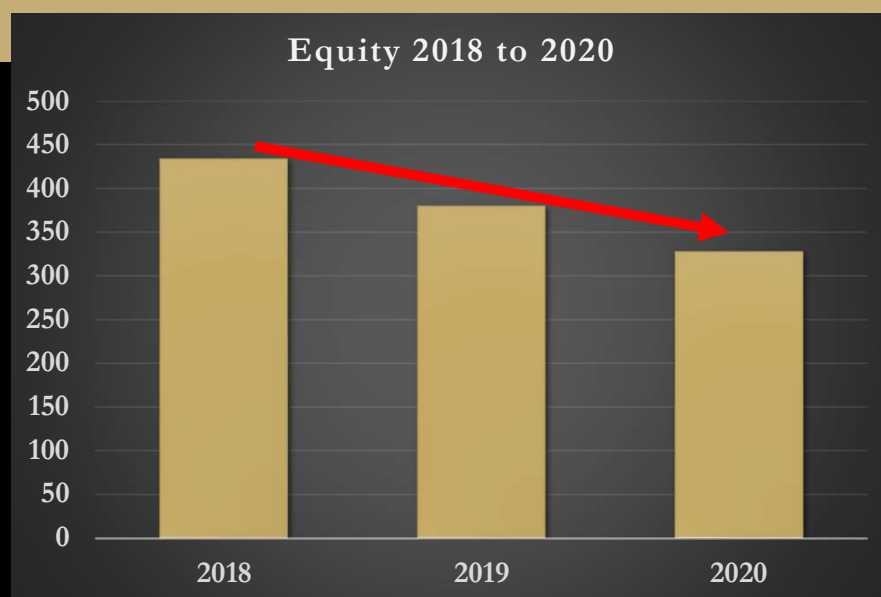


(Clarksons PLC, 2020) (Clarksons PLC, 2019)

## NON-CURRENT ASSETS



## EVALUATING THE POSSIBLE REASONS (EQUITY FROM 2018-2020)



(Clarksons PLC, 2020) (Clarksons PLC, 2019)

# CLARKSON'S OPERATIONS & FINANCIAL STABILITY



**THESE RATIOS WERE USED TO  
ANALYZED THE FINANCIAL  
STABILITY OF CLARKSON**

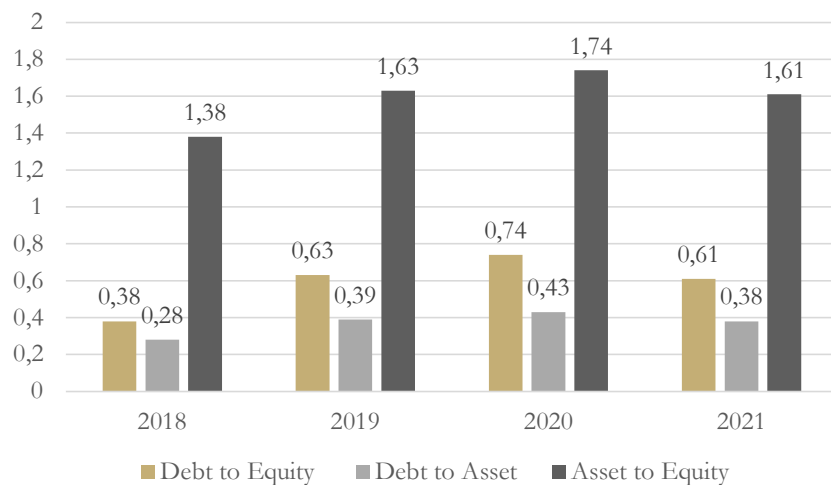
- Debt to Equity ratio
- Debt to Asset ratio
- Asset to Equity ratio

Under Liquidity:

- Quick ratio
- Current ratio

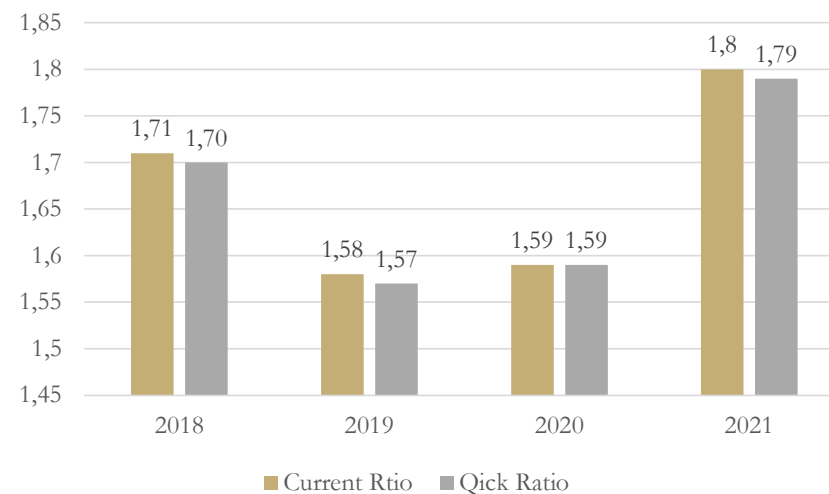
# CLARKSON'S OPERATIONS & FINANCIAL STABILITY

## FINANCIAL STABILITY OF CLARKSON PLC

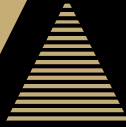


(Clarksons PLC, 2020) (Clarksons PLC, 2019)

## LIQUIDITY RATIO



# CLARKSON'S OPERATIONS & FINANCIAL STABILITY



Clarkson  
Provides  
Four  
Services





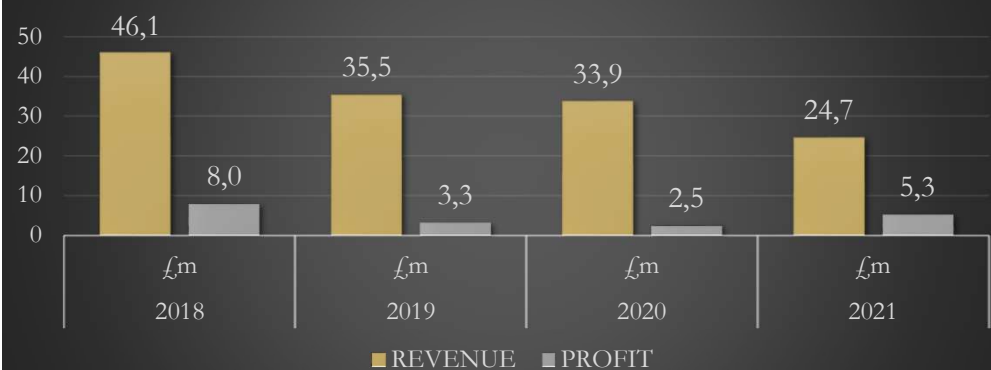
# CLARKSON'S OPERATIONS & FINANCIAL STABILITY

(Clarksons PLC, 2020) (Clarksons PLC, 2019)

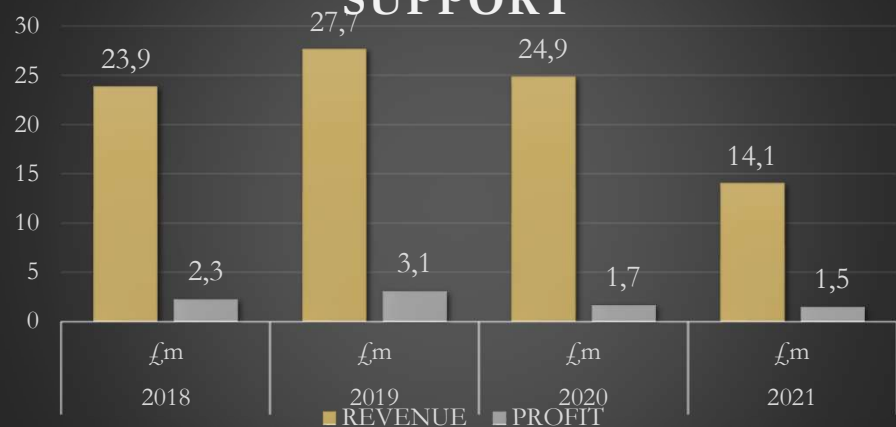
## BROKING



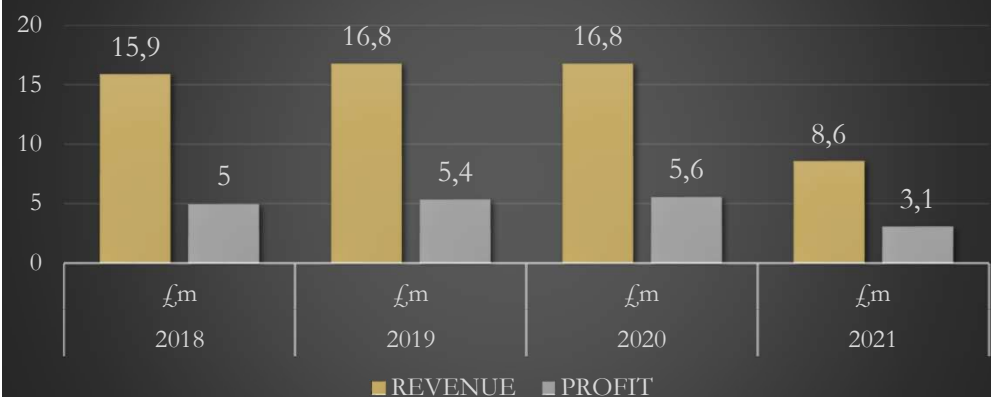
## FINANCIAL



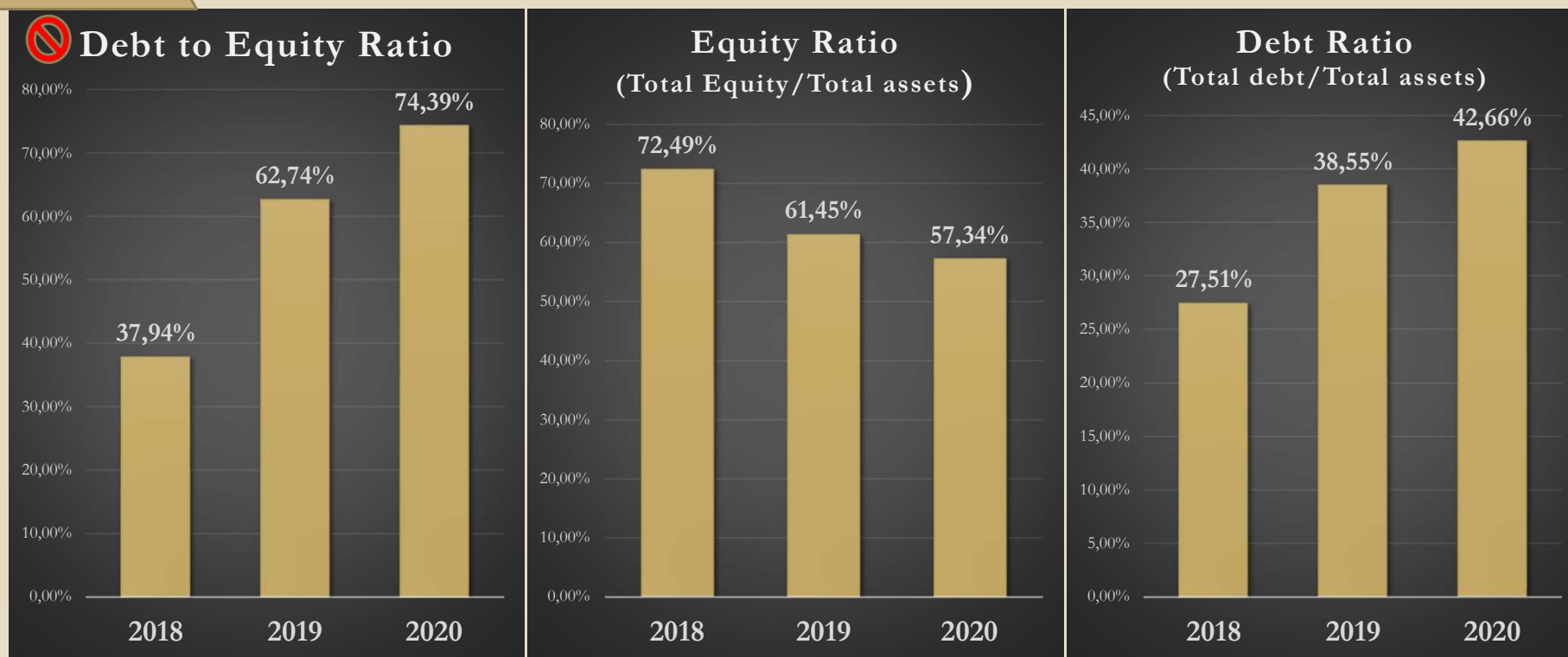
## SUPPORT



## RESEARCH



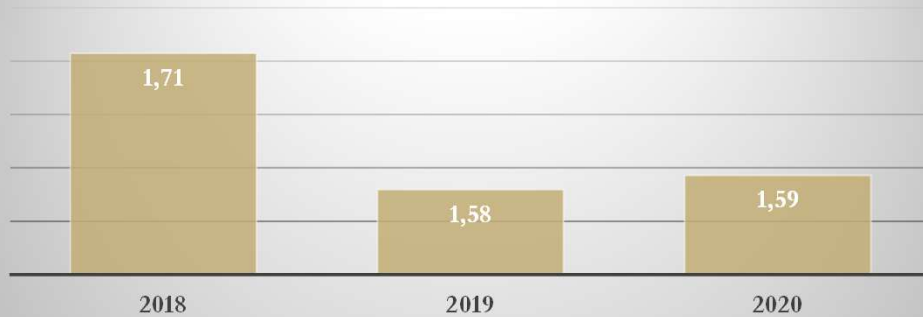
## HOW THE SOLVENCY RATIOS HAVE CHANGED (2018-2020) BEFORE AND AFTER THE COVID-19 PANDEMIC.



(Clarksons PLC, 2020) (Clarksons PLC, 2019)

# HOW THE LIQUIDITY RATIOS HAVE CHANGED (2018-2020) BEFORE AND AFTER THE COVID-19 PANDEMIC.

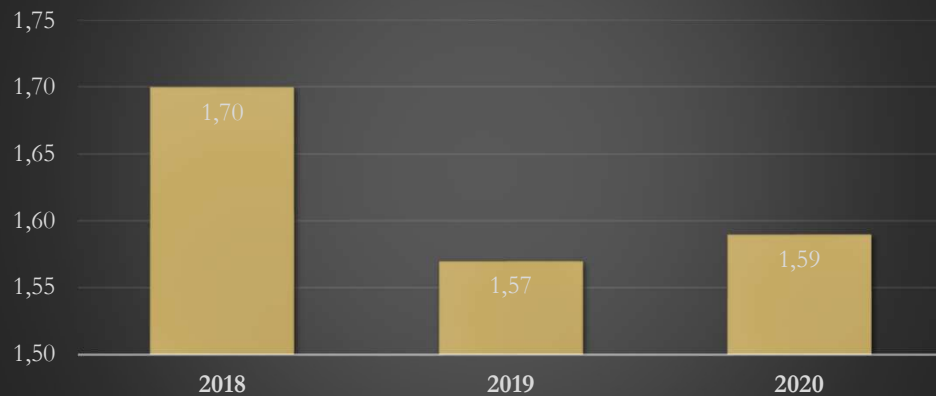
Current Ratio (current asset/current liabilities)



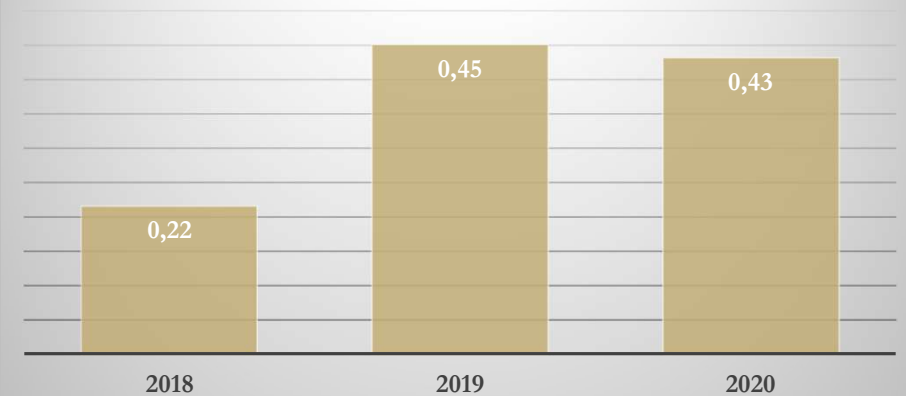
Cash Ratio(cash & cash equivalents /current liabilities)



Quick Ratio

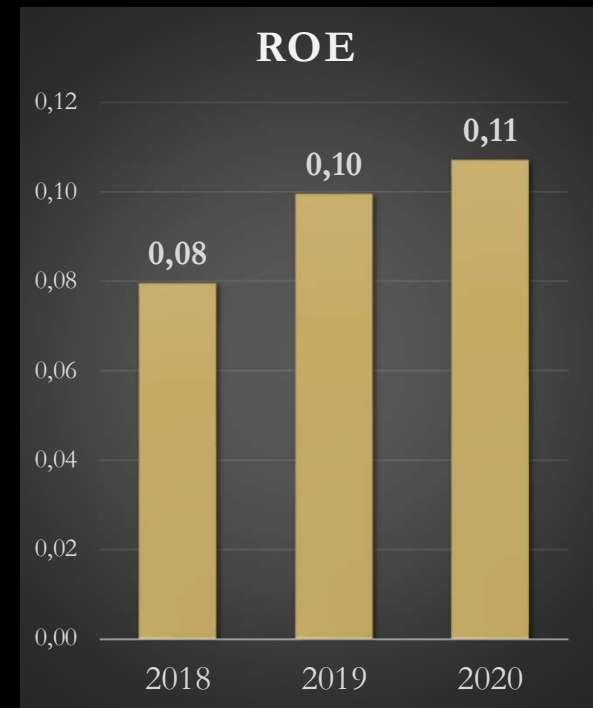
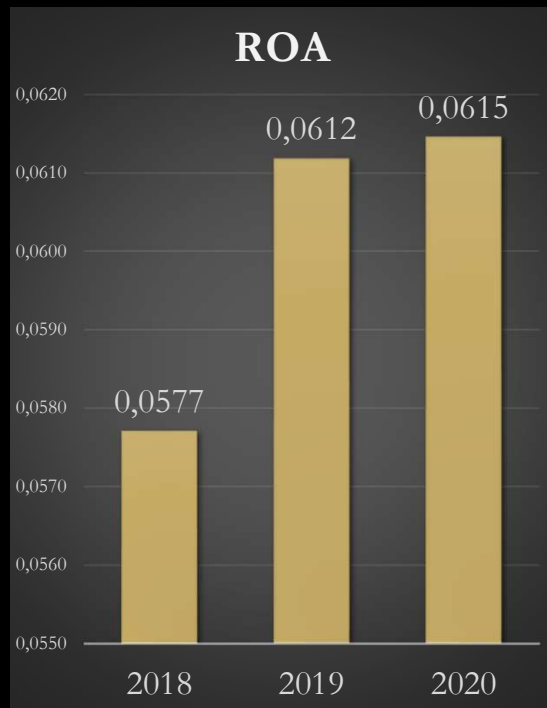


Operating cash flow Ratio



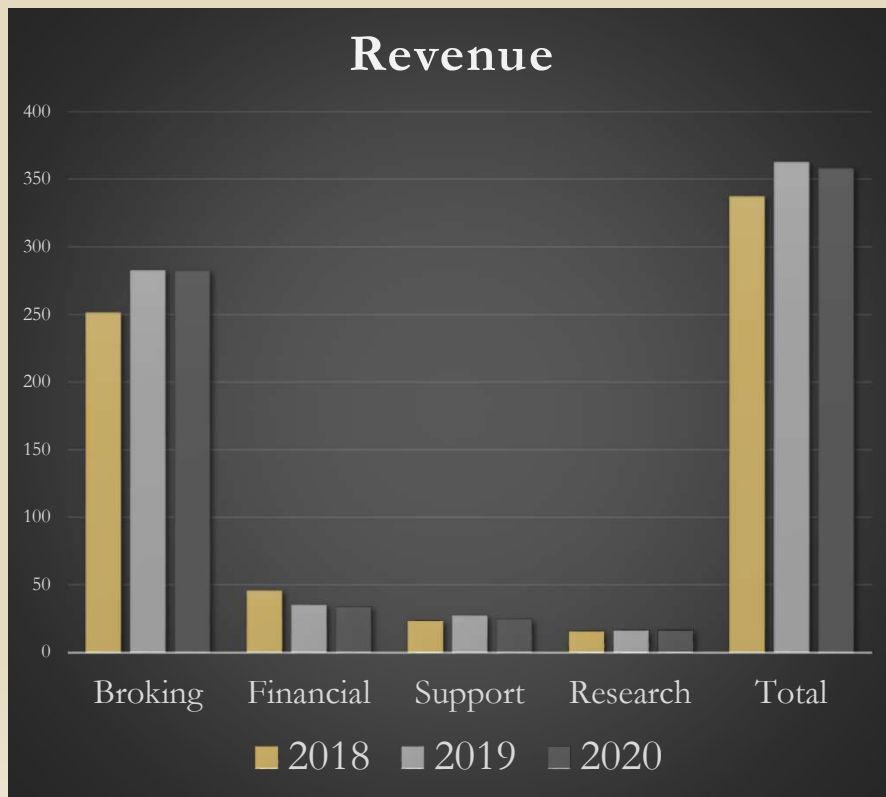
(Clarksons PLC, 2020) (Clarksons PLC, 2019)

## HOW THE PROFITABILITY RATIOS HAS CHANGED (2018-2020) BEFORE AND AFTER THE COVID-19 PANDEMIC.

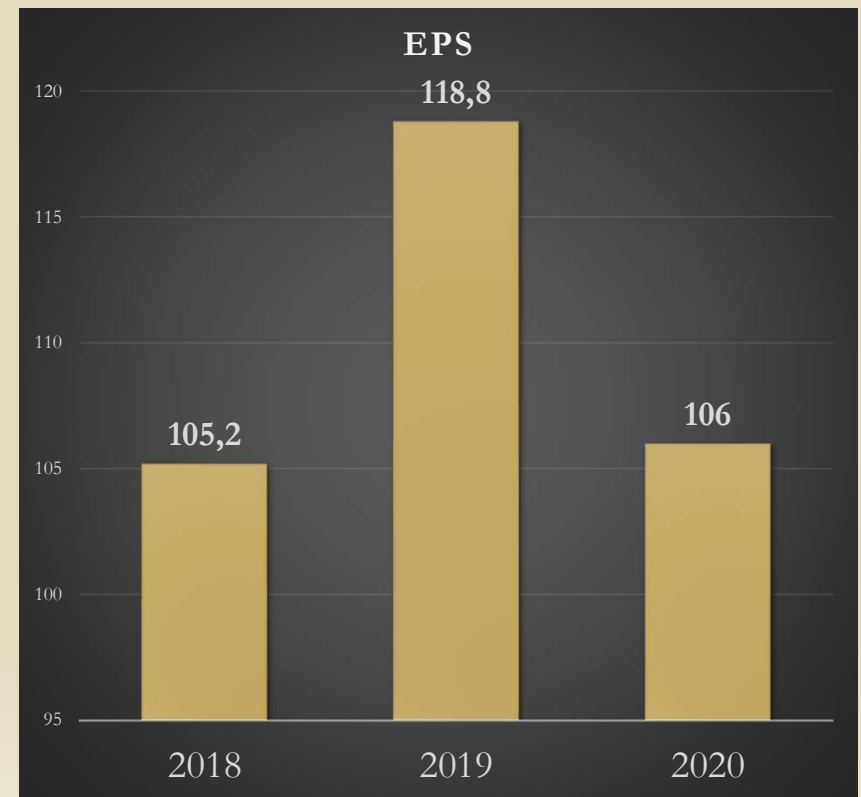


(Clarksons PLC, 2020) (Clarksons PLC, 2019)

# HOW THE REVENUE, EPS AND EXPENSES HAVE CHANGED (2018-2020) BEFORE AND AFTER THE COVID-19 PANDEMIC.



(Clarksons PLC, 2020) (Clarksons PLC, 2019)





# STRATEGIES



I. TRADE SHARES



II. RESTRUCTURING OF DEBT

III. REDUCING OPERATIONAL COSTS



# TRADE SHARES

- Releasing more shares to public to increase shareholder's equity .
- Utilize to pay of the debts.





# METHODS

- **Debt for equity swap**

When creditors agree to cancel a portion, or all, of a company's outstanding debt in exchange for equity.

- **Take a Haircut**

The portion of outstanding interest payments will be written off or a portion of the balance will not be repaid

- **Informal Debt Repayment Agreements**

To ask for lenient repayment terms and to be allowed to write off some portions of their debt.

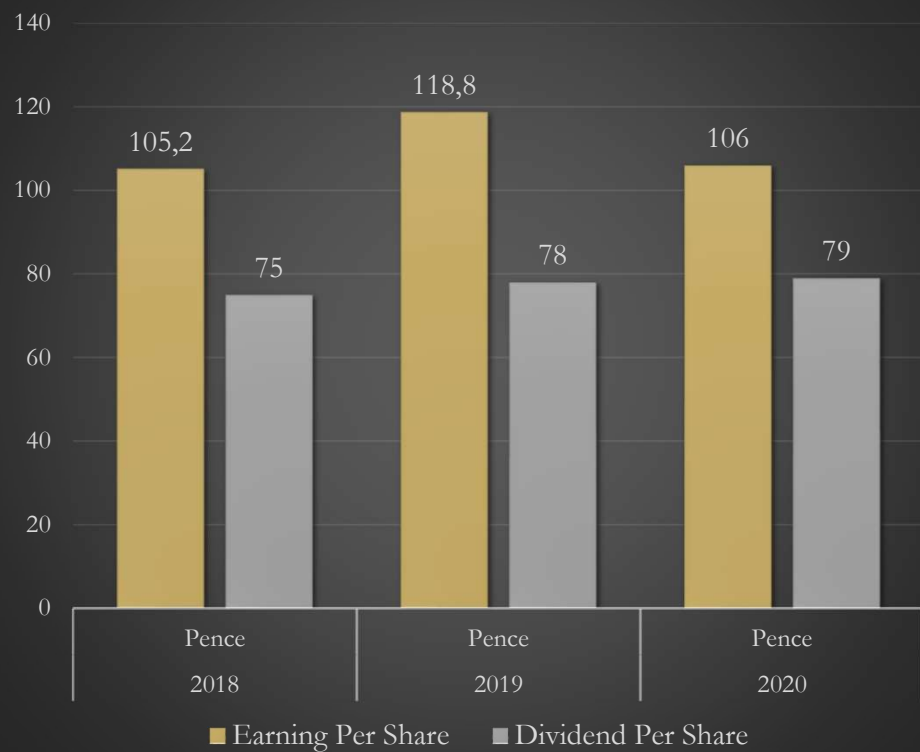


- **Embrace technology**
- **Outsourcing**
- **Shop around for better rates**
- **Telecommunicate**
- **Pay invoices early or on time**
- **Identify inefficiencies**
- **Cancel unused services**
- **Go green**

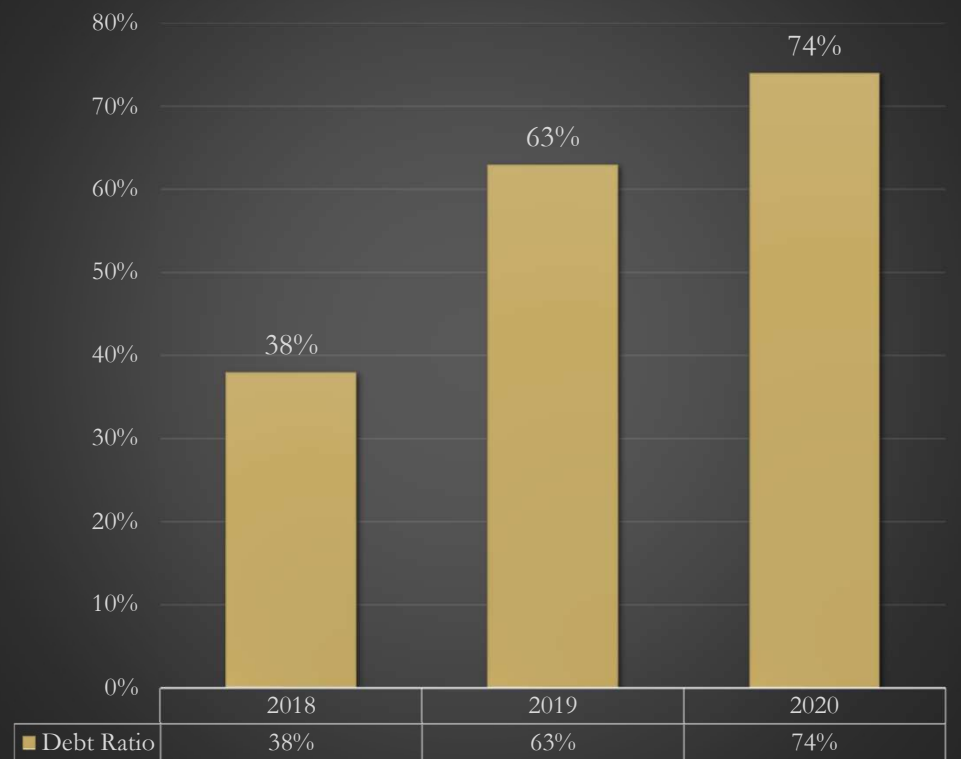
# REDUCE OPERATIONAL COSTS

# WHY CLARKSON PAID DIVIDEND DESPITE HIGH GEARING RATIO?

## EPS & DPS



## Debt Ratio



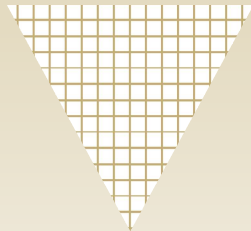
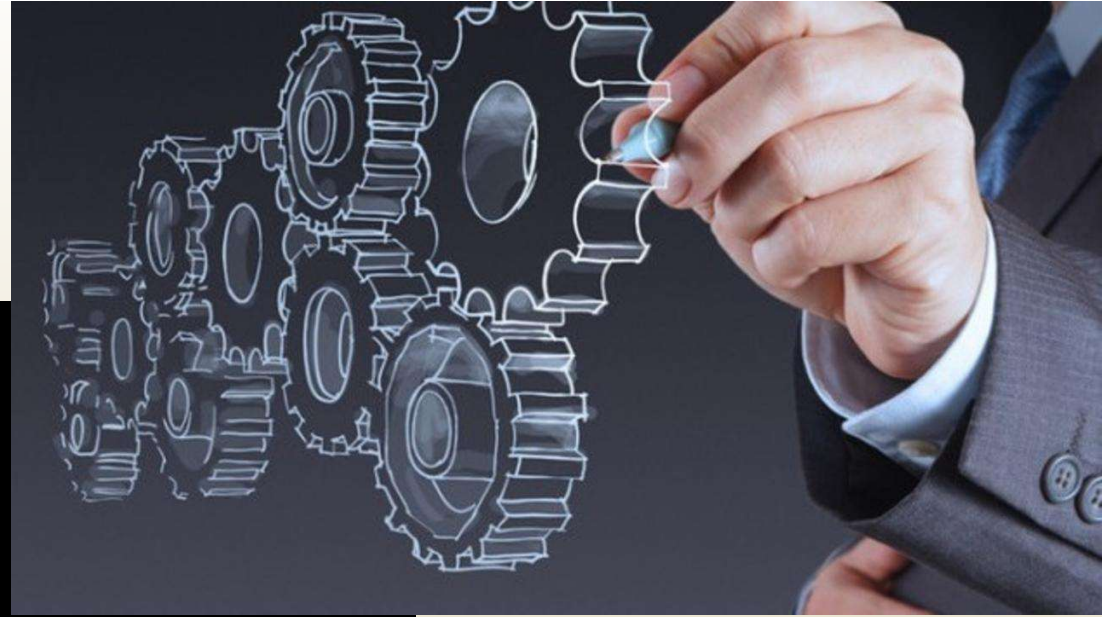
# New Gearing Ratio?

(Based on assumptions)

▶ Debt to Equity Ratio = Long term Debt+ Short  
Term Debt +Bank Overdraft/Share holder's equity  
After assumption –  
 $160.4 + 30.9 / 380.4 = 50.28$

## New Gearing Ratio

= 50.28%



# References

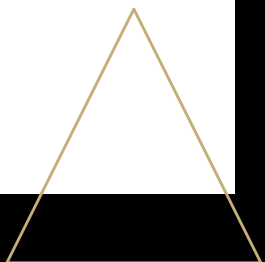
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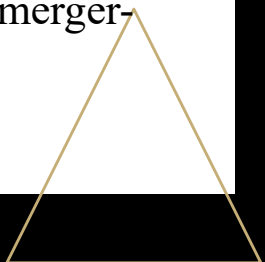


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# Appendix A

Liabilities analysis					
	2018	2019	2020 -30	2021 -30	
Liabilities/year			2020June	June	
Current Liabilities	143.6	170.6	177.4	137.9	141.3
Non-Current Liabilities	21.3	68.2	66.9	70.3	63
Total	164.9	238.8	244.3	208.2	204.3

Equity analysis					
	2018	2019	2020 -30	2021 -30	
amount			2020June	June	
	434.6	380.6	328.4	394.1	337.4
Total	434.6	380.6	328.4	394.1	337.4

D/E ratio analysis					
	2018	2019	2020 -30	2021 -30	
			2020June	June	
Total percent	37.94%	62.74%	74.39%	52.83%	60.55%

Liabilities analysis					
	2018	2019	2020 -30	2021 -30	
			2020June	June	
Current Liabilities	143.6	170.6	177.4	137.9	141.3
Non-Current Liabilities	21.3	68.2	66.9	70.3	63
Total	164.9	238.8	244.3	208.2	204.3

Current Liabilities analysis					
	2018	2019	2020 -30	2021 -30	
			2020June	June	
Interest-bearing loans and borrowings	0	1.2	0	3.3	0
Trade and other payables	135.4	151.3	160.6	117.1	126.1
Lease liabilities	0	8.7	8.4	9.2	8.2
Income tax payable	8	9.1	7.9	7.8	6.5
Provisions	0.2	0.3	0.5	0.5	0.5
Total	143.6	170.6	177.4	137.9	141.3

# Appendix A cont.

Modified D/E ratio analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total percent	4.90%	17.92%	20.37%	17.84%	18.67%

Non-current Liabilities analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Interest-bearing loans and borrowings	0	0.1	0.1	6.1	0
Trade and other payables	10.5	2.4	2.7	3.1	3
Lease liabilities	0	53.7	47.7	52	42.6
Provisions	0.2	1.5	1.5	1.5	1.6
Employee benefits	4.2	4.5	6.1	6.4	3.8
Deferred tax liabilities	6.4	6	8.8	7.2	12
Total	21.3	68.2	66.9	76.3	63

# Appendix B

Total Assets					
	2018	2019	2020 - 30 June	2021 -30 June	
non-current assets	354.3	349.9	290.1	351.3	287.4
current assets	245.2	269.5	282.6	251	254.3
Total	599.5	619.4	572.7	602.3	541.7

Current assets					
	2018	2019	2020 -30 June	2021 -30 June	
Inventories	0.8	1.1	1.3	1.3	1.4
Trade and other receivables	77	77	76.6	76.1	95.2
Income tax receivable	1.2	0.1	0.2	0.3	0.8
Investments	9.7	15.6	31.1	14.4	4
Cash and cash equivalents	156.5	175.7	173.4	158.9	152.9
Total	245.2	269.5	282.6	251	254.3

Equity analysis					
	2018	2019	2020 -30 June	2021 -30 June	
Share capital	7.6	7.6	7.6	7.6	7.6
Other reserves	237.1	158.4	104.6	157.8	104
Retained earnings	185.9	211.5	211.9	226.9	222
Non-controlling interests	4	3.1	4.3	1.8	3.8
Total	434.6	380.6	328.4	394.1	337.4
Revenue analysis					
	2018	2019	2020 -30 June	2021 -30 June	
Broking	251.7	283	282.6	147.1	142.7
Financial	46.1	35.5	33.9	13.3	24.7
Support	23.9	27.7	24.9	11.5	14.1
Research	15.9	16.8	16.8	8.5	8.6
Total	337.6	363	358.2	180.4	190.1
EPS analysis					
	2018	2019	2020 -30 June	2021 -30 June	
Total	105.2	118.8	106		

# Appendix B cont.

Non- current assets analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Property, plant and equipment	27	25.6	24.3	25.4	23.1
Investment properties	1.2	1.2	1.2	1.2	1.1
Right-of-use assets	0	53.4	47	52.5	42.5
Intangible assets	293.4	238.2	182.9	238.4	182.8
Trade and other receivables	1.1	2.1	3.1	2.1	2.5
Investments	4.8	4.8	2.9	4.7	1.3
Employee benefits	18.2	15.5	18.1	18.4	24.7
Deferred tax assets	8.6	9.1	10.6	8.6	9.4
Total	354.3	349.9	290.1	351.3	287.4

# Appendix C

Debt to Equity ratio analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total percent	37.94%	62.74%	74.39%	52.83%	60.55%
Equity ratio analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total percent	72.49%	61.45%	57.34%	65.43%	62.29%
Debt ratio analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total percent	27.51%	38.55%	42.66%	34.57%	37.71%

Current ratio analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total percent	1.71	1.58	1.59	1.82	1.80
Quick ratio analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total percent	1.70	1.57	1.59	#DIV/0!	1.79

# Appendix C cont.

operating cash flow ratio analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total	0.22	0.45	0.43	-0.02	-0.09
Cash ratio analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total	1.09	1.03	0.98	1.15	1.08
ROA analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total	0.06	0.06	0.06	0.00	0.00
ROE analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total	0.08	0.10	0.11	0.00	0.00
Net profit margin analysis					
	2018	2019	2020	2020 -30 June	2021 -30 June
Total	10.25	10.44	9.83	0.00	0.00

# Appendix -Formula

D/E Ratio= Total Debt/Total Equity

Modified D/E Ratio= Total long term Debt/Total Equity

Total Liabilities: Current Liabilities + Non-Current Liabilities

Total Assets: non-current assets + current assets

Equity Ratio: Total Shareholders Equity/Total Assets

Debt Ratio: Total Debt/Total Assets

Current Ratio: Current assets/Current liabilities

Operating cash flow ratio: operating cash flow/current liabilities

Cash Ratio= Cash & cash equivalent/Current liabilities

ROA=Net Income/Total assets

ROE= Net Income/ Total Shareholders Equity

Net profit margin=(Net income/Revenue)\*100