

Financial analysis Report

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Introduction

The analysis of the reaction of technology industry titans Apple, Samsung, and Huawei to COVID-19 pandemic is one of the aspects from 2015 to 2022 that can be used to draw lessons from their response, more particularly from 2020 to 2021. The companies were in the midst of unforeseeable tribulations and prospects; they had to steer through the rough waters formed by the pandemic's influence on consumer habits, supply chains, and global economies.

This comparative analysis will be based on major financial and operational metrics to show how Apple, Samsung and Huawei were able to face the challenges and identify business opportunities caused by the pandemic. Using actual figures to assess the proliferation of each company the stakeholders can develop an understanding of how the organizations are going through the challenges by their resilience, adaptability and competitive strategies.

During my research I will look for the strategies the companies followed to overcome the difficulties that the pandemic has brought and to be prepared for the new conditions that technology industry will face in the post-pandemic era. Long Range Planning. (1996)

The history of ownership of the three selected companies

Apple. 1976–1980: Founding and incorporation

Apple Computer Company was founded on April 1, 1976, by Steve Jobs, Steve Wozniak, and Ronald Wayne as a partnership. The company's first product is the Apple I, a computer designed and hand-built entirely by Wozniak. To finance its creation, Jobs sold his Volkswagen Bus, and Wozniak sold his HP-65 calculator. Neither received the full selling price but in total earned \$1,300 (equivalent to \$7,000 in 2023). Wozniak debuted the first prototype Apple I at the Homebrew Computer Club in July 1976. The Apple I was sold as a motherboard with CPU, RAM, and basic textual-video chips—a base kit concept which was not yet marketed as a complete personal computer. It was priced soon after its debut for \$666.66 (equivalent to \$3,600 in 2023). Wikipedia contributors (2024).

Samsung. 1938–1970: Founding and incorporation

In 1938, during Japanese-ruled Korea, Lee Byung-chul (1910–1987) of a large landowning family in the Uiryeong county moved to nearby Daegu city and founded Mitsuboshi Trading (Kabushiki gaisha Mitsuboshi Shōkai), or Samsung Sanghoe. Samsung started out as a small trading company with forty employees located in Su-dong (now Ingyo-dong). It dealt in dried-fish, locally-grown groceries and noodles. The company prospered and Lee moved its head office to Seoul in 1947. When the Korean War broke out, he was forced to leave Seoul. He started a sugar refinery in Busan named Cheil Jedang. In 1954, Lee founded Cheil Mojik and built the plant in Chimsan-dong, Daegu. It was the largest woollen mill ever in the country. Wikipedia contributors. (2024).

Huawei.

Ren Zhengfei, a former deputy director of the People's Liberation Army engineering corps, founded Huawei in 1987 in Shenzhen. The company reports that it had RMB 21,000 (about \$5,000 at the time) in registered capital from Ren Zhengfei and five other investors at the time of its founding where each contributed RMB 3,500. These five initial investors gradually withdrew their investments in Huawei. The Wall Street Journal has suggested, however, that Huawei received approximately "\$46 billion in loans and other support, coupled with \$25 billion in tax cuts" since the Chinese government had a vested interest in fostering a company to compete against Apple and Samsung. Wikipedia contributors. (2024). **Financial ratios**

Benchmarking

Profitability Analysis:

Return on Total Assets (%):

Apple: I witnessed an increase from 17%. The share declined by 33% between 2018 and 2020 and then down to 28%. Operating revenues in FY 2021 increased by 06% over the previous year, a sign that the company's asset use was more efficient despite the difficulty posed by the pandemic.

Samsung: Just like a slight increment of 6. The non-resident Indian population in the UK increased by 18% from FY 2020. The ratio of total assets to total liabilities and stockholders' equity stood 75% in FY 2021, with a trend towards improving the level of assets efficiency.

Huawei: Observed a gradual decrease in the store traffic. Most of the individuals here have had a history of an improper diet and 22% in FY 2020 to 6. 33 % people in this population have the food eating issues. That's 86% in FY 2021 which is a lowest return since the Great Recession. This further implies that the sustained pandemic is affecting the size of claims payouts to investors.

Profit Margin (%):

Apple: Existing enrolled student population experienced a marginal increase from 38. In the FY 2020, the number dropped to 22. 5%. After which it climbed to 41. The net profit margin increased from 78% of FY 2021, suggesting good financial health allowed the company to pursue core objectives.

Samsung: The involvement of celebrities or other influential figures on the platform can also significantly boost the visibility and credibility of a political campaign. The ICT sector growth recorded an average of 7. 8% in FY 2020 but as of 2020, it is now 4% In contrast, the 40% increase of profit to \$160. 000 in FY 2021 is an indicator of improving margin levels.

Huawei: These two mentioned services witnessed a small fall from the previous figures recorded. From 00% in FY 2020, the NGO hopes to reach 3 % in 2022, the year it hopes to become self-sufficient. In FY 2021, a loss of 49% of revenues suggests difficulties in maintaining a healthy profit margin as a consequence of the pandemic

EBITDA Margin (%):

Apple: The figures of the victims of the Holocaust revealed around 24 percent drop from the original statistics. 15% at the end of FY 2020 to 29 which was equivalent to 2. 5 times' surge. EBITDA Margin?? representing a decline significant personally to maintain the position against the backdrop of the pandemic.

Samsung: A wonderful feeling was born in me after all I witnessed and achieved. In FY 2020, 68%, conversely, was recorded as compared to 21% of it in the last fiscal year. 46% in the fiscal year 2021, the year-on-year increase over FY 2020 shows some signs of rising margins for the company based on the EBITDA.

Huawei: Served incarceration population as of 20, which went up from the 20. In FY 2020 the numbers were at 82% and now they have reduced to 30% The operation has had an improvement in the cost efficiency of 50% in FY 2021, showing that the pandemic did not hinder the effectiveness of the processes.

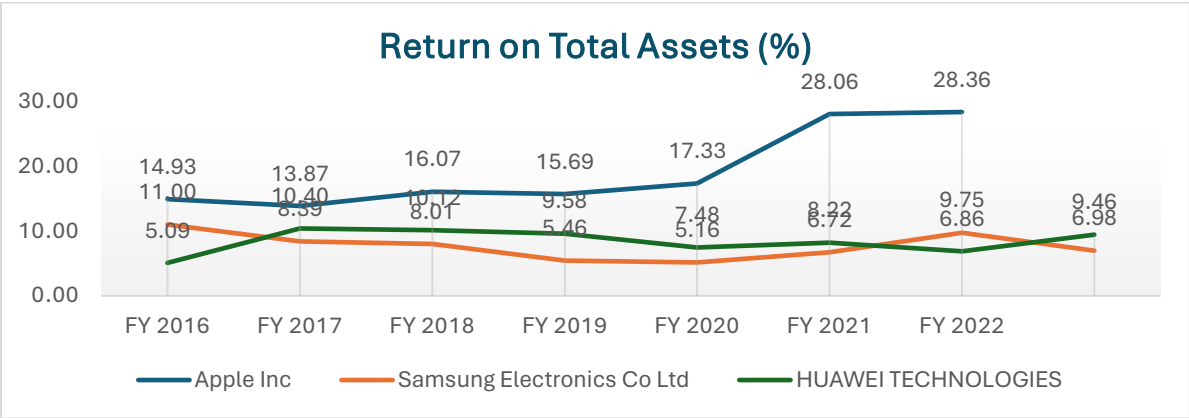
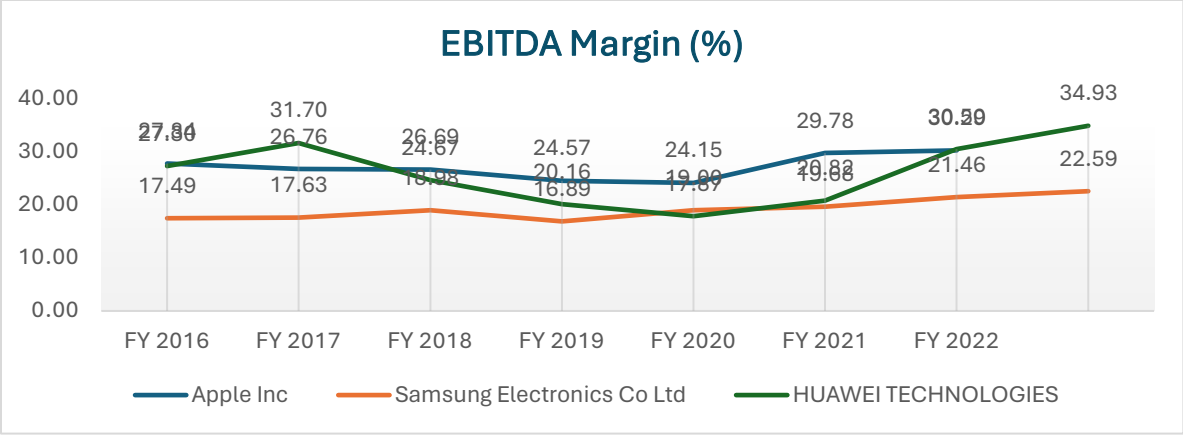
Return on Invested Capital (%):

Apple: Our theory reduced traffic volume on the main street by an impressive amount from 28. In FY 2020, the data has been decreased to 20% but in FY 2021, it has gone up to 46%. The ratio of return on capital employed was up by 25%, suggesting that better performance during conditions of the pandemic.

Samsung: In the 16th century, we have noticed an upsurge in demand. Moving there aggressively, dropping from 84% to only 24% in FY 2020. 56% in \$2021 FY, signaling the company might have worked on capital efficiency.

Huawei: Unbelievably, the number of user accounts in that period was 1222. FY 1520 loss of the headquarters from Rochester reduced the workforce level from 106. The ROIC specifically was 48% in FY 2021, which is a very high level of return on the capital while the business was still going through the effects of the pandemic era.

On the whole, the performance factors of Apple and Huawei improved in spite of the economic pressures from COVID-19, including a rise in cash conversion, reinvestment rates, return on equity, etc. In turn, Samsung has also noticed some positive position though not so much as compared to Apple and Huawei.



Employees Analysis:

In 2020 and 2021, which were the COVID -19 period, human resources statistics of Apple Inc. , Samsung Electronics Co Ltd, and Huawei Technologies were challenged.

Salaries/Turnover:

The first two organizations revealed the growth of the ratio of salaries to turnover, while the third one had a higher amount of salary expenses compared to their revenue during the pandemic years.

Working Capital per employee:

Apple and Huawei showed drops the in working capital per employee signifying decrease in debt service capacity per employee.

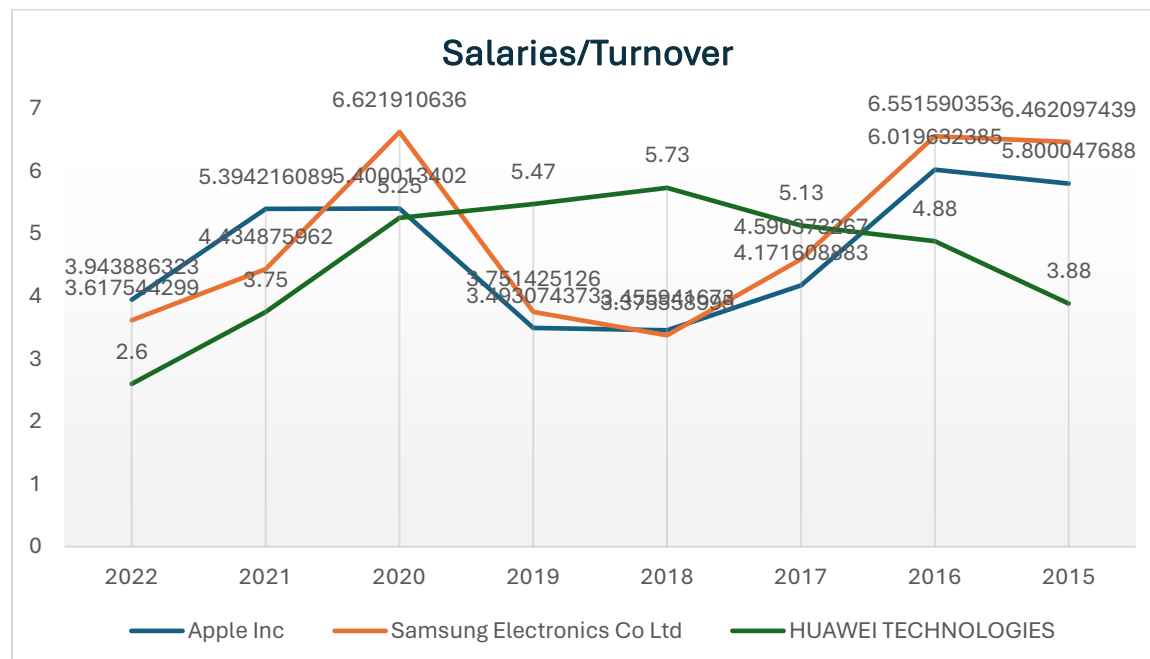
The working capital data of Samsung was not provided, which made it impossible and hard to determine the changes that occurred during the COVID-19 pandemic.

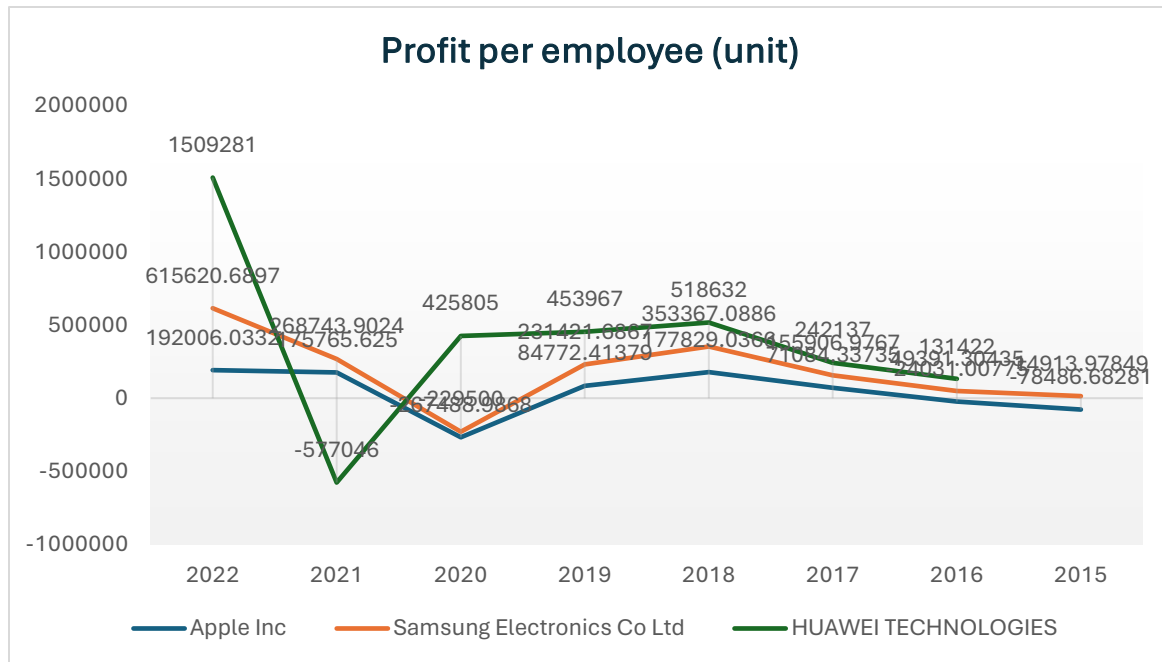
Profit per employee:

In fact, all three companies had a considerable drop in the profit per employee, which very well could indicate the fall of their profitability in the pandemic years.

Turnover per employee:

The employee turnover rates decreased for all companies reflecting the fact that a revenue generated on a per employee basis dropped during the COVID-19 years.





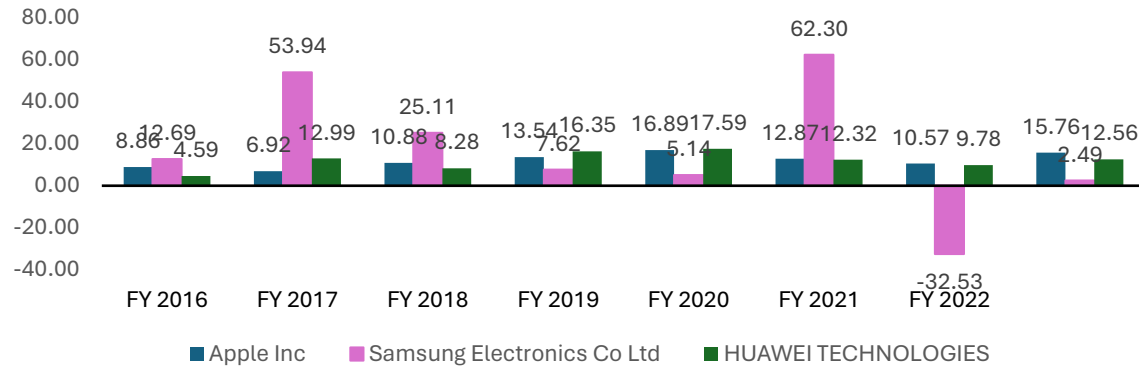
Performance Analysis Benchmarking:

Apple Inc: Noticed stock turnover rates decline slightly in FY 2020, though interest cover was positive and witnessed variations in fixed assets turnover and net assets turnover.

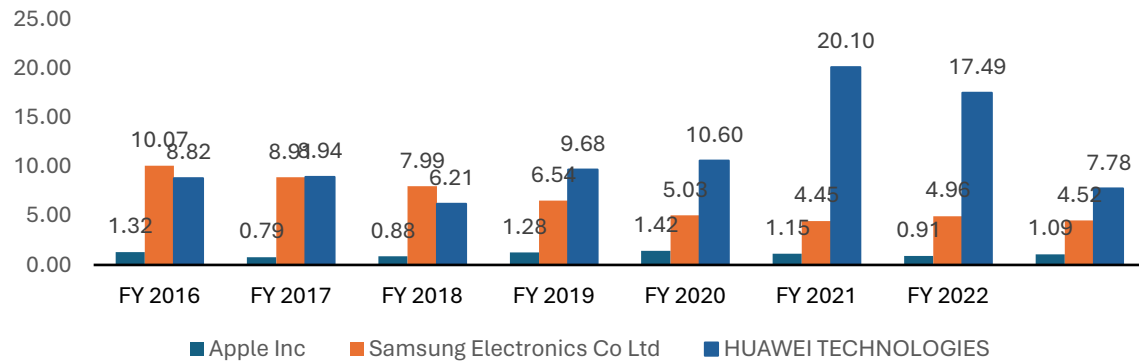
Samsung Electronics Co Ltd: Our Company witnessed a substantial growth in stock turnover in FY 2020 but a very drastic decline in the following fiscal year, while the interest cover has been improving over the years but it fell sharply in the last year. Two key ratios, fixed assets turnover and net assets turnover, have both reduced during the period from FY2020 to FY2021.

Huawei Technologies: The stock turnover rate dropped in the financial year of 2020, yet it increased slightly in the financial year of 2021. Similarly, the positive interest cover was maintained, but it decreased in the financial year of 2021. A decline in fixed assets turnover and net assets turnover were observed for the specified period. O'Grady, J.D. (2008)

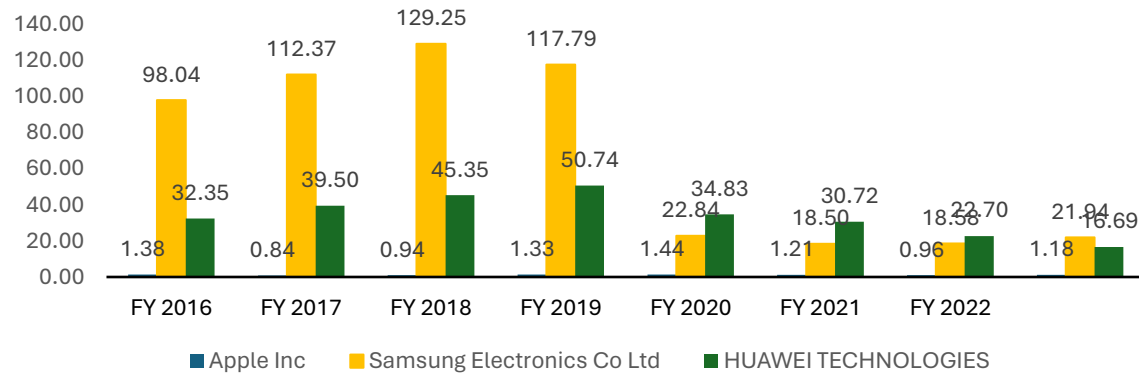
Stock Turnover



Net Assets Turnover



Fixed Assets Turnover



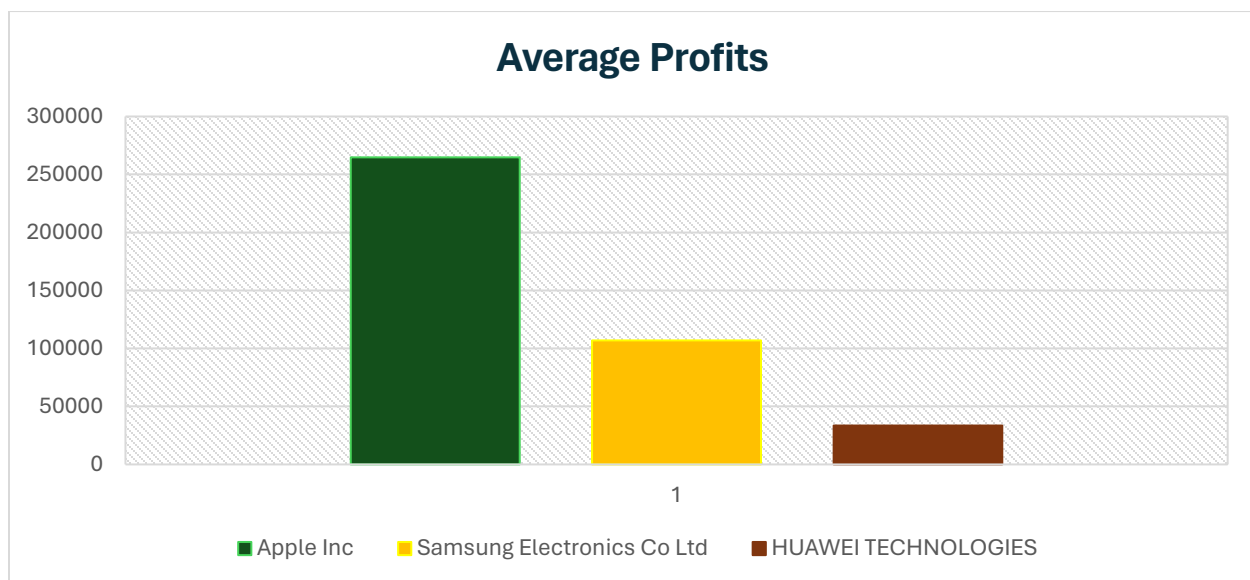
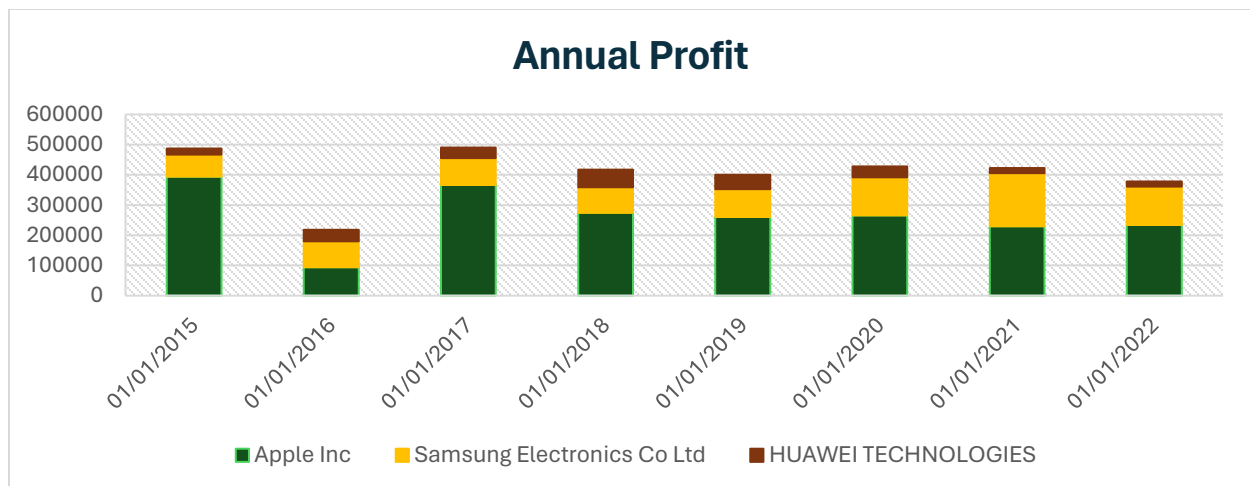
Average Profits

Apple Inc. always took the first place in the list of the most profitable companies, with Samsung Electronics Co Ltd coming behind, and Huawei Technologies on the last place.

The 2020 and 2021 COVID-19 pandemics seem to have affected the profits of all three companies with the fluctuations observed. yahoo Finance. (2024.).

Despite the pandemic, Apple Inc was still capable of getting lucrative profits, while Samsung Electronics Co Ltd. also had fluctuations but was still stronger than most of the competitors. On the other hand Huawei Technologies suffered from different problems, as it usually had lower profits compared to other two companies.

In Millions	31/12/2022	31/12/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016	31/12/2015	Average Profits
Apple Inc	233715	229234	265595	260174	274515	365817	94000	394328	264672
Samsung Electronics Co Ltd	126814	176737	125742	92039	84620	89877	86208	72512	106819
HUAWEI TECHNOLOGIES	17564	16796	36489	48077	57787	34367	37837	19950	33608



Asset Composition Analysis

Apple Inc:

Total assets that have been in the rising trend since the beginning of the years, and in FY 2022 it achieved the highest value.

There just remains a growing investment in fixed assets as the fixed assets continue to rise relative to the total assets.

The share of current assets to total assets has tended to decline in recent years, a trend which may point to the rise of more fixed assets. yahoo Finance. (2024.).

	Apple Inc							
	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Total Assets	208324	189833	183685	186235	176691	185102	151622	148678
Fixed Assets	64758	54428	48849	42522	32978	22283	20283	19354
Current Assets	143566	135405	134836	143713	143713	162819	131339	129324
Fixed Assets %	31.09	28.67	26.59	22.83	18.66	12.04	13.38	13.02
Current Assets %	68.91	71.33	73.41	77.17	81.34	87.96	86.62	86.98

Samsung Electronics Co Ltd:

The sum of total assets has exhibited wide changes from year to year, some of them negative, likely from accounting adjustments or financial reorganization.

The proportion of fixed to total assets ratio remains at 50% pointing out a fixed assets balance in the allocation between fixed and current asset categories.

Extreme ratio of current assets to total assets shows either volatility in liquidity or accounting difficulties.

	Samsung Electronics Co Ltd							
	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Total Assets	-49802	24692	81158	223704	3182	-2314	-1120	2082
Fixed Assets	-24901	12346	40579	111852	1591	-1157	-560	1041
Current Assets	28470	-69885	44178	112989	427449	94557	369573	-59336
Fixed Assets %	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Current Assets %	-57.17	-283.03	54.43	50.51	13433.34	-4086.30	-32997.59	-2849.95

Huawei Technologies:

There was a significant ups and downs in the total asset over the years, which in recent years showed a negative number, indicating potential financial problems, or restructuring efforts.

The portion of fixed assets to total assets has fluctuated over time and even showed some years' negative percentages, which might be due to accounting artificialities.

There is a higher part of current assets than fixed assets, which means relatively higher liquidity position of a company. yahoo Finance. (2024.).

	HUAWEI TECHNOLOGIES							
	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Total Assets	-59234	-198911	-198890	39606	263503	-24333	-28182	86834
Fixed Assets	326	-8542	-6456	11894	7257	-5777	1416	7798
Current Assets	-59560	-190369	-192404	27912	256246	-18556	-29598	79036
Fixed Assets %	-0.55	4.29	3.25	29.53	2.75	23.74	-5.02	8.98
Current Assets %	100.55	95.71	96.75	70.47	97.25	76.26	105.02	91.02

COVID-19 and Its Impact:

Apple Inc: Some retailers were affected by the interruption of supply chains and retail operations in the first place. Shifting to the digital world and the need for remote work devices and digital services. However, the economic results remained on the positive side in general.

Samsung Electronics Co Ltd: The electronics industry is a unique one as it is heavily dependent on supply chains that may experience disruptions and the demand for electronics fluctuates. Experience the competition in smartphone markets and have varying financial results within the business divisions.

Huawei Technologies: The rise of technology access restrictions and their geopolitical tensions were the biggest obstacles. Suffered the resultant drops in smartphone sales and the interruption of the supply chains. Use our AI to write for you about any topic! You need to give the system initial information and it will generate a text accordingly. The main goal of diversification of income, but financial headwinds were too strong to deal with them.

My Reflection

To be more specific, When I was charting the financial analysis course including Apple Inc. , Samsung, and Huawei, this procedure resembled sailing into a vast ocean with its waves as the seacrests and the wind challenging every way possible. The lengthening of long threads of information, analysis, and insight from merely the numerical facts to the distant horizon was the pattern that appealed to the curiosity of the process. In fact, the first obstacle I faced was the plethora available information which initially seemed overbearing. Surfing amongst a vast ocean of financial accounts, market analytical studies and an industry review, the paramount data points were sometimes hard to spot, and it had to be done in a meticulous way. It was a figure of speech, something like a preteen girl discovering a buried treasure and each piece of data is the sparkling gem, shining through the darkness of information. While the journey was never easy, it brought new adventures and new learnings to me. The nuances of financial statements, the decoding of primary operational indicators, and the understanding of market situations necessitated an appreciably deep insight than just examining the outward form. On top of that, a detailed look at their sales and market shares, and product lines demanded a profound grasp of how different companies approach their respective businesses and how they differentiate their markets.

Even though it was sometimes tough, I had also those ,magical' moments full of discovery and understanding. The financial analysis started to introduce compelling issues that deserved to be examined further. This was because the success and resilience of the leading companies were not based on one or two factors, but on the bigger picture. The four leading smartphone companies might distinguish themselves based on their core competencies in R&D that gave them the following: brand loyalty at Apple; diversified revenue streams at Samsung (almost unlimited number of prospects); and Huawei that came to prominence thanks to its technological expertise and strategic partnerships. What finally grasps attention with its

journey pattern is that numbers making seem to be an activity beyond simple arithmetic. The trip would be more than an improvement of knowledge about the complex relationships between financial measures, market factors, and business strategy. It demonstrated that being ready to adapt, being able to analyse, and having on the perseverance are important things when one is entering the financial market of the technology sector. As a result, triangulating the data from various sources was another key aspect of this process which allowed me to form a robust and all-rounded picture of the industry and companies that we are interested in. Apart from the financial statements, information gathered from market analyses, industry reports and opinions of experts were just as important as financial statements in constructing a coherent account of developments in earnings pattern. Put another way, through the presentation of financial performance of Apple, Samsung and Huawei, I have gone beyond a mere academic exercise in my financial analysis. It was an intricate journey, a voyage that not only enriched my knowledge about finance, commercial analysis, the dynamics of technology industry, but also about the nature of these specific branches as the whole. Even though the safari took a little longer and had its glitches, it ended up being an intellectual safari to unravel some of intricacies in the financial ecosystem of most prominent tech companies. Low, B. (2007),

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