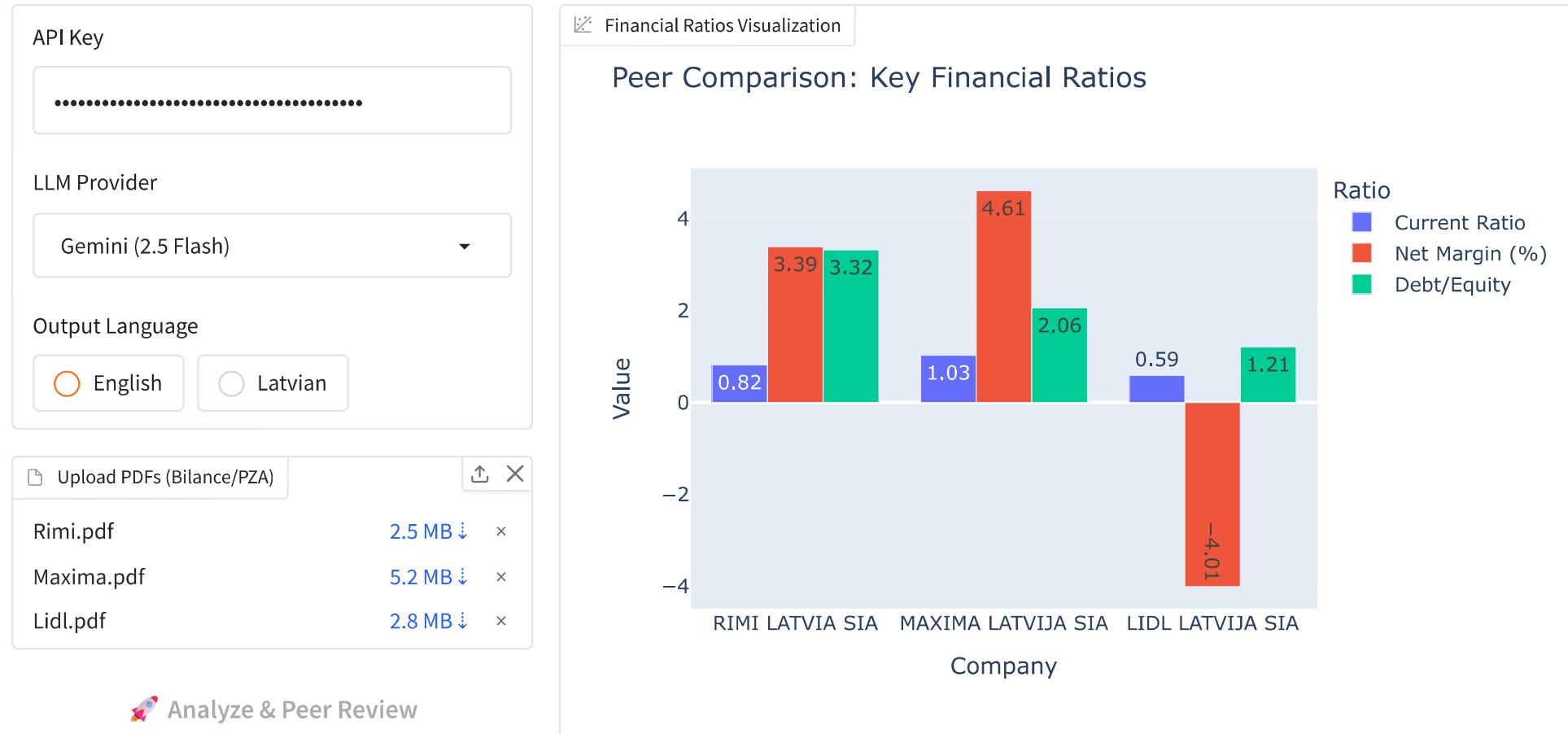


# LV Baltic Financial AI Agent

Upload Latvian Annual Reports (PDF). The Agent will act as an accountant to extract data, calculate ratios, and perform a peer review.



## Peer Review: Baltic Companies Financial Analysis

As a Senior Financial Analyst, I have reviewed the provided financial data for RIMI LATVIA SIA, MAXIMA LATVIJA SIA, and LIDL LATVIJA SIA. Below is a peer comparison based on profitability, liquidity, and solvency.

## 1. Profitability (Net Margin) Comparison

The Net Margin indicates how much net profit is generated per euro of revenue, reflecting operational efficiency.

- **MAXIMA LATVIJA SIA** stands out with the highest Net Margin of **4.61%**. This suggests excellent control over costs and strong pricing power, making it the most efficient in converting revenue into profit.
- **RIMI LATVIA SIA** follows with a respectable Net Margin of **3.39%**, indicating solid profitability, though less efficient than Maxima.
- **LIDL LATVIJA SIA** shows a concerning **-4.01%** Net Margin. This indicates that Lidl is currently unprofitable, generating a net loss for every euro of revenue. This could be due to aggressive market entry strategies, significant expansion costs, or competitive pricing pressures. It's also notable that Lidl's data is for 2025, which might reflect future projections or recent operational changes not yet fully realized by 2024.

**Conclusion:** MAXIMA LATVIJA SIA is demonstrably the most efficient company in terms of profitability.

## 2. Liquidity (Current Ratio) Analysis

The Current Ratio assesses a company's ability to cover its short-term obligations with its short-term assets. A ratio below 1.0 generally signals potential liquidity risk.

- **MAXIMA LATVIJA SIA** has a Current Ratio of **1.03**. While just above the critical threshold, it indicates that the company has slightly more current assets than current liabilities, suggesting adequate but not robust short-term liquidity.
- **RIMI LATVIA SIA** shows a Current Ratio of **0.82**. This is below 1.0, indicating potential liquidity risk. The company may struggle to meet its short-term obligations without resorting to external financing or liquidating long-term assets.
- **LIDL LATVIJA SIA** has the lowest Current Ratio at **0.59**. This is a significant red flag for liquidity. Lidl appears to be at a high risk of not being able to cover its short-term debts, potentially indicating a reliance on financing from its parent company or significant operational cash flow challenges, especially given its unprofitability.

**Conclusion:** Both RIMI LATVIA SIA (0.82) and particularly LIDL LATVIJA SIA (0.59) are at risk due to their current ratios being below 1.0.

## 3. Solvency (Debt/Equity) Evaluation

The Debt/Equity ratio measures the proportion of debt and equity used to finance a company's assets, indicating financial leverage. A higher ratio means more reliance on debt financing, which increases financial risk.

- **RIMI LATVIA SIA** is the most leveraged with a Debt/Equity ratio of **3.32**. This indicates a high reliance on debt financing relative to equity, which could expose the company to significant financial risk, especially if interest rates rise or economic conditions deteriorate.
- **MAXIMA LATVIJA SIA** has a Debt/Equity ratio of **2.06**. This represents moderate leverage. While higher than Lidl, it is lower than Rimi, suggesting a more balanced capital structure.
- **LIDL LATVIJA SIA** has the lowest Debt/Equity ratio at **1.21**. This suggests a relatively conservative financing approach, relying less on debt. However, in the context of its unprofitability, this lower leverage might be a strategic choice to avoid further financial strain, or it could be due to recent equity injections from its parent to fund expansion.

**Conclusion:** **RIMI LATVIA SIA** is clearly the most leveraged company.

#### **4. Concluding Recommendation**

Based on the peer review:

- **MAXIMA LATVIJA SIA** demonstrates the strongest overall financial health among the group. It is the most profitable, maintains adequate liquidity, and has moderate leverage. This indicates a well-managed and financially stable operation.
- **RIMI LATVIA SIA** shows solid profitability but is concerningly leveraged and faces liquidity challenges. The high debt-to-equity ratio combined with a current ratio below 1.0 suggests a need to improve its capital structure and short-term cash management.
- **LIDL LATVIJA SIA** presents the most significant financial concerns. Its unprofitability (negative net margin) coupled with very poor liquidity poses substantial risks. While its lower leverage might seem positive in isolation, it's overshadowed by its inability to generate profits and cover short-term liabilities. The fact that its data is for 2025 might suggest it's in an aggressive expansion phase with initial losses, but current performance is weak.

**Recommendation:**

For investors and stakeholders, **MAXIMA LATVIJA SIA** appears to be the most robust and financially sound company among the three.

**RIMI LATVIA SIA** should focus on strengthening its balance sheet by reducing debt and improving its current ratio. This could involve optimizing working capital or exploring equity financing options.

**LIDL LATVIJA SIA** urgently needs to address its profitability issues and liquidity shortfalls. A detailed review of its cost structure, pricing strategy, and operational efficiency is critical. Continued unprofitability and poor liquidity, even with lower leverage, are unsustainable in the long term. Further analysis into the context of its 2025 data (e.g., expansion phase, market share gain strategy) would be beneficial to fully understand its situation.

#### Extracted Data & Ratios

Company	Ye...	Revenue (...)	Net Profit (...)	Current Rat...	Net M...
RIMI LATVIA SIA	2024	1125625901	38115412	0.82	3.39
MAXIMA LATVIJA S...	2024	1101650345	50774566	1.03	4.61
LIDL LATVIJA SIA	2025	460869524	-18465625	0.59	-4.01