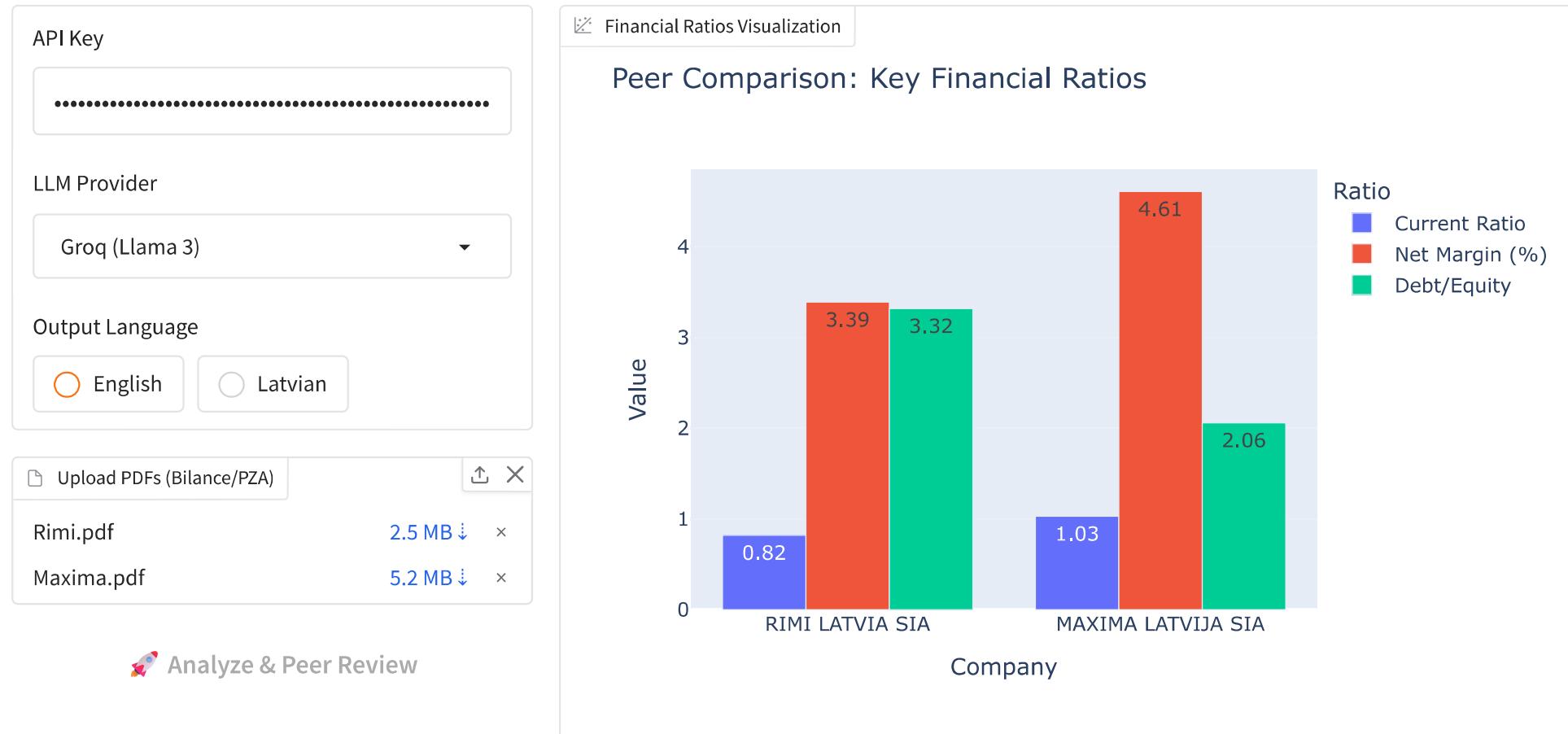


LV Baltic Financial AI Agent

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Peer Review of Baltic Companies: RIMI LATVIA SIA and MAXIMA LATVIJA SIA

As a Senior Financial Analyst, I have reviewed the financial data of RIMI LATVIA SIA and MAXIMA LATVIJA SIA for the year 2024. The analysis focuses on three key aspects: profitability, liquidity, and solvency.

1. Profitability (Net Margin)

The net margin is a crucial indicator of a company's profitability. It represents the percentage of revenue that a company retains as net profit.

- **RIMI LATVIA SIA** has a net margin of 3.39%.
- **MAXIMA LATVIJA SIA** has a net margin of 4.61%.

Based on the net margin, **MAXIMA LATVIJA SIA** is more efficient in converting its revenues into net profits, outperforming RIMI LATVIA SIA by 1.22 percentage points. This suggests that MAXIMA LATVIJA SIA has better cost management and pricing strategies in place.

2. Liquidity (Current Ratio)

The current ratio is a measure of a company's ability to pay its short-term debts using its short-term assets. A ratio of 1.0 or higher indicates that a company can meet its short-term obligations.

- **RIMI LATVIA SIA** has a current ratio of 0.82.
- **MAXIMA LATVIJA SIA** has a current ratio of 1.03.

RIMI LATVIA SIA is at risk due to its current ratio being less than 1.0, indicating potential difficulties in meeting its short-term obligations. On the other hand, **MAXIMA LATVIJA SIA** has a comfortable liquidity position, with a ratio slightly above 1.0, suggesting it can cover its short-term debts.

3. Solvency (Debt/Equity)

The debt-to-equity ratio measures a company's leverage, indicating the extent to which it relies on debt financing. A higher ratio suggests higher leverage and potentially greater financial risk.

- **RIMI LATVIA SIA** has a debt-to-equity ratio of 3.32.
- **MAXIMA LATVIJA SIA** has a debt-to-equity ratio of 2.06.

RIMI LATVIA SIA is more leveraged than **MAXIMA LATVIJA SIA**, with a debt-to-equity ratio that is 1.26 points higher. This indicates that RIMI LATVIA SIA has a higher level of financial risk due to its greater reliance on debt financing.

4. Concluding Recommendation

Based on the analysis, **MAXIMA LATVIJA SIA** appears to be in a stronger financial position than **RIMI LATVIA SIA**. **MAXIMA LATVIJA SIA** demonstrates better profitability, a healthier liquidity position, and lower leverage.

For **RIMI LATVIA SIA**, it is recommended to:

- Improve cost management to increase net margins.
- Enhance liquidity by either increasing current assets or reducing current liabilities to mitigate the risk of not meeting short-term obligations.
- Consider reducing debt levels to lower financial risk and improve the debt-to-equity ratio.

For **MAXIMA LATVIJA SIA**, the focus should be on maintaining its current financial health and exploring opportunities for growth, possibly by leveraging its strong profitability and liquidity position to invest in new markets or improve operational efficiencies further.

In conclusion, while both companies have areas for improvement, **MAXIMA LATVIJA SIA** is currently in a more favorable financial position. **RIMI LATVIA SIA** needs to address its liquidity and leverage issues to reduce financial risk and improve profitability.

Extracted Data & Ratios

Revenue (... €)	Net Profit (... €)	Current Ratio	Net Margin (%)	Debt/Equity
1125625901	38115412	0.82	3.39	3.32
1101650345	50774566	1.03	4.61	2.06