COVER PAGE AND DECLARATION

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I confirm that this assignment is my own work, is not copied from any other person's work (published/unpublished), and has not been previously submitted for assessment elsewhere.

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List of abbreviations

- ✓ Net Profit Margin :NPM
- ✓ Return on Assets: ROA
- ✓ Return on Equity: ROE
- ✓ Gross Profit Margin: GPM
- ✓ Asset Turnover :ATO
- ✓ Current Ratio :CR
- ✓ Rate of return: ROR
- ✓ Long-term Solvency :LTS
- ✓ Current and quick ratios :C&C R
- ✓ Liquidity Ratios: LR
- ✓ Working Capital :WC
- ✓ Capital Asset Pricing Model :CAPM
- ✓ Risk-free rate :Rf

I. Introduction:

Azar Group Founded in 1984 in Lebanon, Azar Electric set its base of work and commitment with its computed and advanced electrical materials.

The company's team is composed of technically skilled and highly dedicated team work that is divided into HR, executives and subordinates, all working together as a team in order to achieve the customer's needs and upgrade the market values on their products and services.

II. Basis of preparation

The financial statements are presented in Lebanese Pounds LBP; the following are for the years 2019, 2020, 2021 and 2022 as presented by the company based on international standards.

Here is an overview of the components typically found in a profit and loss statement:

III. Statement of Financial sheet for the years 2019-2020-2021-2022

		2022	2021
Statement of financial position at 31 December 2022 Balance sheet			
Assets			
Non-current assets			
Intangible assets	4	10,178,091	10,180,999
Property and equipment	5	1,059,855,198	1,043,330,764
Investment property	7	33,178,001	32,185,430
Total non-current assets		1,103,211,290	1,053,511,763
Current assets			
Accounts receivable	6	145,858,893	165,278,680
Cash and cash equivalents	11	17,345,900	14,896,090
inventories	8	115,372,732	126,876,006
		278,577,525	307,050,776
TOTAL ASSETS		1,381,788,815	1,360,562,539
Equity and Liabilities			
Equity			
Share Capital	**10**	646,800,000	646,800,000
Statutory reserve	**5**	59,389,111	44,389,111
retained earnings		226,678,377	181,043,046
TOTAL EQUITY		932,867,488	872,232,157
liabilities			
Liabilities Non-current liabilities			
Provision for end-of-service indemnity	8	**210,875,380**	**254,981,321**
Total non-current liabilities		210,875,380	254,981,321
Current liabilities			
Accounts payable	9	**188,935,705**	**123,201,345**
Total current liabilities		**188,935,705**	123,201,345
Total Equity and liabilities		1,332,678,573	1,250,414,823

Figure 1: Balance sheet 1

Statement of financial position at 31 December 2020

Balance sheet

	Notes	2020	2019
		LBP '000	LBP '000
Assets			
Non-current assets			
Intangible assets	4	15,442,588	10,043,330
Property and equipment	5	1,043,479,237	1,049,655,196
Investment property	7	28,770,980	32,178,883
Total non-current assets		1,058,921,825	1,059,698,526
Current assets			
Accounts receivable	6	140,090,500	144,982,347
Cash and cash equivalents	11	14,130,191	15,019,545
inventories	8	154,220,691	135,427,345
		308,441,382	295,429,237
TOTAL ASSETS		1,367,363,207	1,355,127,763
Equity and Liabilities			
Equity			
Share Capital	**10**	646,800,000	646,800,000
Statutory reserve		80,987,111	58,396,121
retained earnings		270,687,385	226,678,277
TOTAL EQUITY		998,474,496	931,874,398
liabilities			
Liabilities Non-current liabilities			
Provision for end-of-service indemnity	8	**237,638,900**	**233,311,120**
Total non-current liabilities		237,638,900	233,311,120
Current liabilities			
Accounts payable	9	**188,590,027**	**174,250,705**
Total current liabilities		188,590,027	174,250,705

Figure 2: Balance sheet 2

Income Statement

	Notes	2022	2021
Total Equity and liabilities		1,424,703,423	1,339,436,223
Revenues		1,065,792,000	1,222,265,910
Cost of revenues	**17**	882,199,545	816,075,711
Cross profit		183,592,455	406,190,199
Other revenue net	16	**10,987,678**	11,713,786
selling and distribution expenses	19	**61,110,845**	64,339,876
General and administrative expenses	12	**71,503,480**	34,706,480
Operating Profit		39,990,452	295,430,057
Finance Cost		12,765,416	11,776,856
Depreciation and amortization expense	**4,5**	**-3,665,427**	-3,577,000
Tax expense	15	-6,202,030	-7,409,121
total other comprehensive income		438,229	155,897
Profit of the year		204,168,507	199,837,091
Earnings per share SAR Based on profit			
Basic	22	3.10	3.06
Diluted		3.10	3.06

Figure 3:Income statement 1

Income Statement	2020	2019
Revenues	1,223,500,508	1,367,176,488
Cost of revenues	817,199,167	857,489,864
Cross profit	406,301,341	509,686,624
Other revenue net	13,987,788	13,713,790
selling and distribution expenses	56,438,292	49,876,540
General and administrative expenses	51,463,898	39,274,376
Operating Profit	284,411,363	406,821,918
Finance Cost	9,574,839	10,987,658
Depreciation and amortization expense	-3,456,701	-3,453,456
Tax expense	-6,198,574	-7,507,881
total other comprehensive income	987,000	543,789
Profit of the year	214,020,336	132,411,804
Earnings per share SAR Based on profit		
basic	3.03	3.12
Diluted	3.03	3.12

Figure 4: income statement 2

Statement of cash flows
for the year ended 31 December 2022

		2022	2021
	Notes	**LBP '000**	**LBP '000**
Cash flows from operating activities			
Profit from this period	**12**	**204,168,507**	**199,837,091**
Adjustments for:			
Depreciation and amortization expense	4,5	**-3,665,427**	**-3,577,000**
Provision for employee benefits	9	**12,565,417**	11,776,857
Changes in :			
Inventories		**11,476,324**	**25,084,845**
Cash used from operating activities		**377,707,926**	**255,488,870**
Trade and other payable			
Interest expense -benefits for employee	14	**10,973,654**	**11,059,786**
Net cash generated from operating activities		366,734,272	244,429,084
Cash flows from investing activities			
Acquisition of property and equipment		**97,613,556**	**87,523,776**
Interest income	16	**1,804,153**	345,678
Investments at fair value through profit and loss	12	**30,564,008**	554,786
Net cash used in investing activities		**129,981,717**	**88,424,240**
Cash flows from financing activities			
Net cash flow used in financing activities		**234,637,716**	**167,065,000**
Net cash increase or decrease		**4,321,879**	**5,987,698**
Cash and cash equivalent at beginning of year	7	**11,708,567**	**54,344,518**
Cash and cash equivalent at end of year	7	**16,034,134**	**12,876,800**

Figure 5:cash flows 1

Statement of cash flows			
for the year ended 31 December 2020		2020	2019
		LBP '000	**LBP '000**
Cash flows from operating activities			
Profit from this period	12	214,020,336	406,821,918
Adjustments for:			
Depreciation and amortization expense	4,5	-3,456,701	-3,453,456
Provision for employee benefits	9	11,240,567	14,428,532
Changes in :			
Inventories			
Cash used from operating activities		221,267,987	240,132,560
Trade and other payable			
Interest expense -benefits for employee	14	879,654	98,765
Net cash generated from operating activities		220,388,333	240,033,795
Cash flows from investing activities			
Acquisition of property and equipment		75,111,569	97,651,778
Interest income	16	354,543	1,504,109
Investments at fair value through profit and loss	12	4,371,886	-32,891,230
Net cash used in investing activities		79,837,998	66,264,657
Cash flows from financing activities			
Net cash flow used in financing activities		188,899,370	235,026,100
Net cash increase or decrease			
Cash and cash equivalent at beginning of year	7	18,765,012	12,345,785
Cash and cash equivalent at end of year	7	25,876,801	17,098,140

Figure 6:cash flows 2

Based on my analysis of the company's financial statement and the related sheets, i have gained valuable comments for the company's output. These findings will support my recommendations for improving their position in the market.

IV. Performance Evaluation:

a. **Profitability**: To assess the company's profitability, I analyzed its productivity on equity (ROE). By comparing these ratios over the past four years

Profitability analysis

Profitability Ratios Analysis	2022	2021	2020	2019
Gross Profit Margin(GPM)	17.23%	33.23%	33.21%	37.28%
Net Profit Margin	19.16%	16.35%	17.49%	9.69%
Return on Assets (ROA)	14.78%	14.69%	15.65%	9.77%
Return on Equity (ROE)	21.88%	22.9%	21.43%	14.20%

The GPM provides insights into a company's ability to generate profits from its core operations. We can interpret the following:

In 2022, the company had a gross profit margin of 17.23%. So, the company retained 0.1723 as gross profit after accounting for the cost of goods sold according to each LBP. The lower gross profit margin compared to the previous year's in 2019, 2020 and 2021 suggests a decrease in their productivity of core operation.

In 2021, the company had a GPM of 33.23%. The result indicates retained 0.3323 as gross profit for every LBP of revenue generated. The level of core operations in the Azar's company in comparison to the year 2022 has shown an increasing in the GPM.

In 2020, Azar's company gross profit margin is 33.2%. The result has shown a constant profitability level in their core operations in contrast to the past-evaluated years, the latest, 2019, when Azar's gross profit margin was of 37.2%. Formerly, it is shown that the company has the highest level of profitability during the measured years.

In resume, the decreasing trend in the gross profit margin from 2019 to 2022 suggests a potential decline that the company is unable to produce earnings from its core operations. It is important to analyze the reasons behind the changes in the gross profit margin and consider other profitability ratios and factors such as operating expenses, net profit margin, and industry benchmarks in order to produce and success the company's profitability performance.

Net Profit Margin (NPM):

During the studied years, the trend showed an ascending in the Net Profit Margin (shown how much of each Lebanese lira or US dollars collected by Azar’s company as revenue can be interpreted into profit output) and that’s can indicate an improvement in the company's ability to generate profits after specifying all expenses.

There was a substantial elevation in the NPM during 2019 to 2020, followed by a slight decrease in 2021 and a further increase in 2022.

Return on Assets (ROA):

The ROA ratio indicates Azar’s group stakeholders condition to produce their earning profit from their total assets.

The trend from 2019 to 2022 shows a relatively stable ROA, with minor fluctuations within a narrow range.

The ROA in 2022 is slightly higher than in the previous years, indicating a slight improvement in Azar’s company in their total main resources.

Return on Equity (ROE):

The trend from 2020 to 2022 shows a relatively stable ROE, with minor fluctuations.

The ROE in 2022 is slightly lower than in the previous years, indicating a slight descending company's productivity with balance to its shareholders' equity.

Overall, the profitability ratios show a mixed performance for the company. While there has been shown that the unsatisfactory results in sales, in fact, it has been related to a decreasing in the GPM.

In parallel, as per our financial assessment over the studied years, we determine that the Net Profit Margin has shown development

Sequentially, the stability has been remarkable for the Return on Assets (ROA) as well for the Return on Equity (ROE) and it is important to mention a slight decreasing in recent years. It is important to conduct further analysis and take into consideration indicators that has ken with the main objective of the company and their financial performance.

b. **Efficiency**: Efficiency measures Azar's group line managers and stakeholders efficacy. I evaluated metrics such as asset turnover in order to evaluate the efficiency of the operational resources Efficiency ratios evaluate how effectively the company utilizes its resources to generate output.

c. **Key Ratios/Indicators:** to Analyze Asset Turnover (ATO)

- 2022: (1,065,792,000 / 1,381,788,815) = 0.77 times
- 2021: (1,222,265,910 / 1,360,562,539) = 0.90 times
- 2020: (1,223,500,508/ 1,367,363,207) =0.89 times
- 2019: (1,355,127,763/1,367,176,488)= 1.01 times

	2022	2021	2020	2019
ATO	**0.77**	**0.90**	**0.89**	**1.01**

Interpretation:

In 2022, the company generated 0.77 in sales for every part of assets it had. This suggests that the company's asset utilization decreased compared to the previous year.

In 2021, the company generated 0.90 in sales for every part LBP of assets. This can assess Azar's group improvement in the uses of assets comparing to other years

In 2020, the company generated 0.89 in sales for every LBP of assets. This indicates a similar level of asset utilization compared to the previous year.

In 2019, the company generated 1.01 in sales for every LBP of assets. This suggests that the company's asset utilization was relatively higher compared to the subsequent years.

Overall, a higher asset turnover ratio indicates better asset efficiency, however, a lower ratio indicates lower asset efficiency and may warrant further analysis to identify the reasons behind the decrease in asset turnover.

d. **Short-term Solvency:** Short-term solvency, also known as liquidity, evaluates Azar stakeholders and CEO to meet their expectation. I examined ratios such as C&CR in order to ensure their liabilities' position.

e. **Liquidity** : This part will examine the daily operations and its receivables 'management, as per the following:

Liquidity Ratios (LR):

LR Analysis	2022	2021	2020	2019
Working Capital	89,641,820	183,849,431	119,851,355	121,178,532
Current Ratio	1.47%	2.49%	1.63%	1.69%
Quick Ratio	0.863	1.462	0.817	0.918

The following is the related interpretation towards Azar group liquidity and liabilities:

Working Capital (WC):

The WC can assess what is the difference between current assets and current liabilities. A positive result may indicates the excess in current assets than current liabilities that can lead to more liquidity position. The decreasing trend in working capital from 2021 to 2022 demonstrates a declination to hold their short-term responsibilities.

<u>Current Ratio (CR):</u>

The decreasing trend in the current ratio from 2021 to 2022 suggests a decline in the company's short-term position in liquidity.

<u>Quick Ratio (QR):</u>

The QR interprets the liquidity of Azar's group that excludes inventory from current assets. In fact, the diminishing in this ratio from 2021 to 2022 suggests a decline in Azar's act liquidity position; perhaps it was related to the COVID-19 outbreak social complications.

Overall, the decreasing trends in both the ratios C&CR show a potential deterioration in the company's liquidity position from 2021 to 2022. It is important to monitor these ratios over time and compare them to industry benchmarks in order to acquire their instant obligations.

f. **Long-term Solvency (LTS)**:
The LTS indicates Azar's group company to achieve their financial obligations .I analyzed the related ratios in order to evaluate the company's stabilization in terms of compensation to its long-term debts. The below indicates:

Solvency Ratios Analysis	2022	2021	2020	2019
Debt to Equity Ratio	0.44 per cent	0.47 per cent	0.42 percent	0.43percent

Through this table, we can clarify the following:

Based on the provided solvency ratios for the years 2019 to 2022, we can interpret the results as follows:

In 2022, the company required a Debt to Equity Ratio of 0.44%. This means that for every LBP of equity financing, the company had 0.0044 of debt. A lower ratio suggests a lower level of debt compared to equity financing, which generally indicates a more conservative and less leveraged capital structure.

In 2021, the company had a Debt to ER of 0.47%. This indicates a slight increase in the ratio compared to the previous year. It suggests that the company relied slightly more on debt financing relative to equity financing.

In 2020, the company had a Debt to ER of 0.42%. This indicates declining in the result comparing to other results compared to the previous year. It suggests that the company relied slightly less on debt financing relative to equity financing.

In 2019, the company had a Debt to ER of 0.43% and showed a constant result in the past 4 years.

In resume, the decreasing trend in the Debt to Equity Ratio from 2021 to 2022 suggests that the company reduced its reliance on debt financing and increased its equity financing. This can be seen as a positive sign, as it indicates a more conservative capital structure and a lower risk of financial distress. As conclusion, we can say that Azar group shall work on the investment in order to diminish the burden.

g. **Market-based Ratios(MBR)**:

This ratio indicates Azar's market condition. I assessed metrics such as way-to-earnings ratio (P/E ratio) in order to understand how the market values the stock of Azar's company and its growth prospects.

The evaluation is as per the table below:

	2022	**2021**	**2020**	**2019**
Earnings per Share Basic EPS	3.10 LBP	3.06 LBP	3.03 LBP	3.12 LBP

EPS provides insights into its financial performance.

- **Interpretation:**

In 2022, the company had an EPS of 3.10 LBP. This indicates a slight increase in earnings in comparison to last years.

In 2021, it had an EPS of 3.06 LBP. This suggests a relatively stable earnings performance compared to the subsequent years.

In 2020, the company had an EPS of 3.03 LBP. This indicates a relatively stable earnings performance compared to the subsequent years.

In 2019, the company had an EPS of 3.12 LBP. This indicates a relatively stable earnings performance compared to the subsequent years.

Overall, the EPS figures suggest that the company has maintained relatively consistent profitability over the years. It is primordial to note that EPS figures should be interpreted in with other financial factors such as the company's revenue growth, net income, and industry benchmarks in order to achieve their goals and performance.

On the other hand, to calculate the dividend per share, we need to know the total dividend amount paid by the company and outstanding shares, yet, the information provided does not include the dividend amount or the number of outstanding shares. Without these details, we cannot calculate the dividend per share in an accurate way.

V. **Recommendations for improving the company’s Business**:

After reviewing the company’s financial statement, the following are constructive recommendations that can be added:

1. **Improve profitability**: it is primordial to assess the company’s cost of revenues and their field of achievement (cost efficiencies). Consider renegotiating supplier contracts, optimizing inventory management, and implementing cost-saving measures without compromising quality.

2. **Increase accounts receivable efficiency**: Focus on reducing the accounts receivable balance by implementing stricter credit policies, improving collection procedures, and closely monitoring customer payments. This will help improve cash flow and reduce the risk of bad debts.
3. **Optimize inventory management**: Evaluate the inventory turnover ratio and identify slow-moving or obsolete inventory items. Implement inventory control systems to optimize stock levels and minimize carrying costs.
4. **Enhance working capital (WC) management**: Monitor and manage WC components such as payable and receivable accounts to optimize cash flow. Negotiate favorable payment terms with suppliers and incentivize early payments from customers.
5. **Capitalize on non-current (NC) assets**: Review NC assets, including, assets especially intangible, investment property. Assess their utilization and potential for generating additional income or cost savings. Consider disposing of underutilized assets or exploring opportunities for leasing or subletting.
6. **Strengthen financial reserves**: Increase providing the end-of-service protection to ensure compliance with legal requirements and mitigate future liabilities. Completely, this will support and assist Azar's group to improve their financial stability and reduce the risk of unexpected expenses.
7. **Enhance financial reporting and analysis**: Implement robust accounting reporting systems in order to achieve the Financial Goal. Develop key performance indicators (KPIs) and financial metrics to track Azar's company performance improvement.
8. **Invest in technology**: Explore opportunities to leverage technology to streamline operations, automate processes, and improve efficiency. This may include adopting several advanced technology and resources as, customer services software, or other industry-specific technology solutions.
9. **Develop a growth strategy**: Evaluate market opportunities and develop a clear growth strategy. Identify potential expansion areas, new markets, or product/service diversification that align with the company's core competencies.
10. **Strengthen internal controls**: Implement robust systems in order to protect assets, and decrease errors. This includes segregating duties, conducting regular audits and control, and

promoting a strong ethical culture respecting code of ethics and principals within the organization.

These recommendations are based on the limited information provided by Azar Company and a more comprehensive analysis of the company's operations, industry dynamics, and market conditions would be required to tailor specific recommendations.

VI. Decision for return earning:

To determine whether it is a good idea to proceed with a project and whether the company should use its own cash or retained earnings, we need the expected cash flows and the company's financing policy.

Concerning the NPV and WACC analysis, we identify the following:

We will follow the following steps to calculate (NPV) to manage if the company has to set in a new project or not

- Equity: 932,867,488 LBP
- Debt: 399,811,085 LBP

✓ **Step 1:**

Calculation of the equity weight (EW):

EW = Equity / (Equity + Debt) Equity Weight =)

Equal to 932,867,488 LBP / (932,867,488 LBP + 399,811,085 LBP)

Thus, EW = 0.7 or 70%

Calculation of debt weight (DW):

Debt Weight = Debt / (Equity + Debt) Debt Weight =)

Equal to 399,811,085 LBP / 932,867,488 LBP + 399,811,085 LBP)

Thus, DW = 0.3 or 30%

- ✓ **<u>Step 2</u>**:

  Determine the Cost of Equity (Re): it represents the return essential by equity investors to compensate for the risk associated with investing in the company. One commonly used method to calculate the cost of equity is the CAPM, and in case we use it , we need to follow the below:

• RF: Let us assume it is 5%.

• Equity's beta (β): Beta measures the sensitivity of a company's stock price to changes in the overall market. Let us assume it is 1.2.

• Expected market return (Rm): The expected return of the overall market. Let us assume it is 10%.

Needs the formula related to CAPM

Re = Rf + β * (Rm - Rf) Re = 5% + 1.2 * (10% - 5%) Re = 5% + 1.2 * 5% Re = 5% + 6% Re = 11%

Therefore, the cost of equity for XYZ Inc. is 11%.

- ✓ **<u>Step 3</u>:**

Describe the Cost of Debt (Rd): It is typically calculated by considering the company's interest rate that pays on its debt.

Let us assume XYZ Inc. has a debt with an interest rate about 7%.

Consequently, the debt cost for XYZ Inc. is 7%.

- ✓ **<u>Step 4:</u>**

Determine the Tax Rate: it is related to the percentage of profits that the company pays in taxes. Let us assume the tax rate for XYZ Inc. is 17%.

Therefore, the tax rate for XYZ Inc. is 17%.

- ✓ **Step 5:**

Calculate the WACC:

WACC equal to the following equation: 7.7% + 2.1% * 0.83

Accordingly, WACC = 6.6% + 1.7%

Thus, final result of WACC = 8.3%

Consequently, the WACC for XYZ Inc. is 8.3%.

In fact, the evaluation of an initial investment in the company requires an initial investment of LBP 145,000,000. Therefore, the cash flows of LBP 25,000,000 per year for the next 5 years it has been shown its expectation to generate this project.

Step 1: The rate of discount is 10%.

CF1 = LBP 25,000,000

CF2 = LBP 25,000,000

CF3 = LBP 25,000,000

CF4 = LBP 25,000,000

CF5 = LBP 25,000,000

Step 2: Determine the discount rate

Discount Rate = 10% or 0.10

Step 3: needs to calculate the present value of each cash flow, where:

CF = Cash flow

r = Discount rate

n = Time period

PV1 = 25,000,000/ (1 + 0.10) ^1 = 22,727,272

PV2 = 25,000,000/ (1 + 0.10) ^2 = 20,661,157

PV3 = 25,000,000/ (1 + 0.10) ^3 = 18,782,870

PV4 = 25,000,000/ (1 + 0.10) ^4 = 17,075,336

PV5 = 25,000,000/ (1 + 0.10) ^5 = 15,523,033

Step 4:

NPV calculation shall be adding all NPV's over the 5 years, as per the follow:

NPV = 22,727,272 + 20,661,157 + 18,782,870 + 17,075,336 + 15,523,033 - 145,000,000

NPV = -50,230,332

Step 5: Interpret the NPV

The calculated NPV is -50,230,332.

Evaluation: Since the NPV is negative, it suggests that the investment may not be profitable and do not achieve the minimum required ROR (10% in this case).

VII. Conclusion:

Based on the provided financial statements, I recommend the following investment project for the company:

Project: Expansion of Manufacturing Facilities

a. Rationale:

1. Financial Stability: The Company has shown consistent growth in its total assets over the years, indicating a stable financial position. That indicates a positive impression.
2. Adequate Capitalization: The Company's own capital accounts for 40% of the total capital required for the investment project, which meets the company's criteria and it is useful for the general financial condition of the company.
3. Increasing Revenues: The Company's revenues have been consistently growing, indicating a favorable market demand and potential for further expansion.
4. Operating Turnover: Azar's company had shown an operating profit in good sight in the last two years; that can be oversees by their efficiency and profitability in operations issues.
5. Cash Flow Generation: The Company has been able to elaborate supportive cash flows from day to day activities, providing a solid foundation for the proposed investment project.
6. Diversification: Expanding the manufacturing facilities would allow the company to diversify its product offerings, reduce risks, and capture new market opportunities.
7. Investment Budget: The Company's total assets for the year 2022 amounted to LBP 1,381,788,815. Considering that the company can capitalize 40% through its own capital, the maximum investment budget for the project would be 40% of LBP 1,381,788,815, which is LBP 552,715,526.

b. Implementation Plan:

1. Conduct a feasibility study to assess the market demand, competition, and potential profitability of the expanded manufacturing facilities in order to gain market services.
2. Identify suitable locations for the expansion and evaluate the costs associated with land acquisition or leasing by studying new investment standards and applications.
3. Develop a detailed project plan including the construction or renovation of facilities, procurement of machinery and equipment, and hiring/training of additional staff.
4. Secure necessary permits and approvals from relevant authorities in order to start a new investment.
5. Allocate sufficient funds for working capital requirements during the expansion phase.
6. Implement a robust project management framework including risk management plan and projection budget as a whole system, to ensure efficient execution and timely completion of the project.

c. Conclusion:

In conclusion, the financial analysis of Azar and Co. Company reveals valuable insights into its performance over the studied years and its areas for improvement that can take place by implementing the suggested recommendations.

The company can strengthen its financial health by initiating a:

- Projected budget: by setting future revenues and expenses in order to estimate their financial businesses results in short and long times.

- Steady flow of income: in order to control their monthly expenses and that will help in effective budgeting processes and executions.
- Relative and accurate expenses: in order to increase Company's liabilities.
- Strong returns on investments: in order to get a good percentage on investments over the years.
- Adequate Balance sheet (includes adequate expenses): in order to assess and observe the Azar's company's assets, liabilities and shareholder equity on yearly basis.
- Creating innovative financial system, types and strategies by using a professional IT equipment and system.

However, The Company will enhance profitability, improve operational efficiency and establish a favorable market position in order to gain customer marketing ranking with good feedback.

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