COVER PAGE AND DECLARATION

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Table of Content

Introduction

Financial analysis is the analysis of the company's financial statements, through which the financial and project performance is evaluated, and the financial position is monitored. Its purpose is to help make appropriate decisions, and the analysis is based on three main financial components: the balance sheet, the income statement, and the cash flow statement. Three basic analysis techniques are used: ratio analysis, vertical analysis, and horizontal analysis (Kenton, 2022). Samsung was selected to conduct the analysis of its financial statements for a period of four years for the period from 2017 – 2020. (Samsung global, 2021). Samsung, like other companies, is affected by its sales and profits by changing economic conditions. This study will show the company's financial share and financial position through ratio analysis. Liquidity ratios, profitability and activity ratios will also be calculated based on the company's balance sheet and income statement.

About Samsung

It was initially established as a grocery store in South Korea in March 1938 by Lee Byung-Chull. Then he developed his business and opened a factory and continued to expand, and at the end of the fifties he acquired the largest commercial banks in Korea, as well as an insurance company and a cement and fertilizer company. It continued to expand to be the first step for Samsung in the world of electronics in 1966, and at the end of the seventies and early eighties it established branches for the production of electronic semiconductors and established the aviation division in 1985. During the first ten years of this century, Samsung released the most popular and best-selling Galaxy series of smartphones. It continued to develop, and in

2010 it released tablet computers, in 2013 it introduced smartwatches, and in 2019 it introduced foldable Galaxy Fold smartphone. (Bondarenko, n.d.).

Assess the Current Viability

We will assess the current viability of the organization by analyzing the balance sheet and income statement.

Balance Sheet: We note from the balance sheet of Samsung PLC during the four years that the current assets were volatile, as in 2017, they amounted to 129,949,219 million dollars, and then increased in 2018 to reach 158,785,744, where the increase was 22.19%. Then, the percentage decreased in 2019 by 1.98%, to increase again in 2020, reaching $167,914.250 million, or 7.9%. As current assets represent liquidity, inventory and accounts receivable.

As for the total non-current assets were volatile also, as in 2017, they amounted to 136,833,957 million dollars, and then increased in 2018 to reach 149,662,379, where the increase was 9.38%. Then, the percentage decreased in 2019 by 1.98%, to increase again in 2020, reaching $167,914.250 million, or 3.82%. As Non-current assets represent investments, real estate, and equipment.

Total liabilities, which represent the financial obligations and debts that a company must repay, have changed over the four years 2017-2020. Where we note that in 2017, the total was $77,148,352 and then increased by 7.92% in 2018, and this is an indication of the existence of obligations and debts that the company must pay, to decrease in 2019 to $ 76.951655 by 7.57%. This indicates a decrease in the value of debt and obligations, to rise again in 2020 by 12.6%.

In addition, shareholders' equity in 2017 was 189,634,824, then increased in 2018 to reach 225,187,480, and this increase was by 18.74%. It continued to maintain its value with a slight increase in 2019 by 0.16%. It also increased to reach 233,763,698 in 2020, with an increase of 3.63%. The values of Samsung's shareholders' equity during the four years indicate that the company has enough assets to cover the company's obligations.

Income Statement:

In 2018, Samsung PLC recorded revenue of 221,568.382 $ compared to the previous year, which recorded 211,811,887 $, an increase of 4.6%. This indicates a rise in the company's performance. Then in 2019, the company's performance declined as it recorded revenue of 197,690.938 $ a decrease of 10.77%. And in 2020, and it increases again to 200,061,179 $ by 1.47%.

As for the costs of sales, they increased in 2018 to 120,335,747$, after they were 114,307,653$ in 2017, which means that they recorded an increase of 5.27%, and then recorded another rise in 2019 to become 126,335,995$ But in 2020, we notice a decrease to 122,400294 $.

Through revenues and cost of sales, we note that the Gross profit in 2017 was 97,504,234, then increased in 2018 by 3.82%, reaching 101,232,635 $, to decrease in 2019 by 29.51% due to the decrease in revenues and the increase in cost of sales. Then in 2020, the Gross profit increased by 9.6%, reaching 78,205,885 $.

the Selling and administrative expenses, they decreased in 2019 to 47,528,721$, after they were 50,075,918$ in 2017, and then recorded rise in 2020 to become 47,714,412$.

As for the operating profit, in 2017, it was 47,428,316$ and it rose in 2018 to 53,523,191$ at a rate of 12.85%, and then decreased a lot in 2019 to reach 23,826,222$, a decrease of 55.48%. To return to increase in 2020 by 27.97% to record the value 30,491,473$.

As for shares, earnings per share decreased in 2018 to 5.87 after it was 265.12 in 2017, then decreased in 2019 and reached 2.72. In 2020, earnings per share increased to 3.25, which increased shareholders' profits by 19.84%.

Performance Evaluation

Profitability:

Profitability ratios: It is used to determine the company's ability to achieve profits through sales or the use of assets. The higher and bigger the value of these ratios, the more appropriate, and this is an indication that the company is doing well. The ratio is compared with the same ratio but earlier or with the competitor's ratio. (Hayes, 2021)

- **Gross Margin:** It shows the company's ability to achieve revenue from sales compared to production costs, and it is calculated from the following equation:

  $$Gross\ Margin = \frac{Revenue - COGS}{Revenue}$$

  We note that the gross margin in 2017 was 46.03% and decreased in the two successive years to reach 36.09% in 2019 and then increased again in 2020 to reach 38.98% and this reflects an improvement in revenues. (Master Class, 2021)

- **Operating Margin:**

  It indicates the profit that is achieved from sales after the company pays production costs, and it is calculated from the following equation:

  $$Operating\ margin = \frac{Operating\ Profit}{Revenue}$$

  We note that the margin fluctuates between high and low, as it increased in 2018 to 24.16% after it was 22.39% in 2017. Then it decreases in 2019 and reaches 14.05%, and this means that the operating cost was high. Then the profit increased again in 2020 to reach 15.2%, and this indicates the improvement of the company's efficiency and the increase in its profits. (Hayes, 2021)

- **EBITDA Margin:**

It represents the company's profit before taxes and interest and is calculated by the following formula: (Corporate Finance Institute, n.d.)

$$EBITDA\ Margin = \frac{EBTDA}{Revenue}$$

In 2017, it was 30.69%, and in 2018, it became 33.66%, then it decreased in 2019 to 22.90%, which means a decrease in the company's ability to reduce operating expenses. Then the percentage increased to 28.37% in 2020, which indicates improved performance and reduced expenses.

- **Net Profit Margin:**

It measures the net profit from the revenue according to the following equation: (Corporate Finance Institute, n.d.)

$$Net\ Profit\ Margin = \frac{Net\ Income}{Revenue}$$

The net profit margin decreased in 2019 to 9.62%, after it was 17.26% in 2017, then returned and increased in 2020 to 11.50%, and this indicates an improvement in profits compared to what the company spends.

- **Return on Equity:**

This ratio determines whether the company is effective or not by calculating the return on equity according to the following equation: (McClure, 2022)

$$ROE = \frac{Net\ Income}{Shareholder's Equity}$$

After it was 19.28% in 2017, it decreased to 8.43% in 2019, and this indicates that the capital is not being used well. Then the percentage increased to 9.87% in 2020, which indicates a slight improvement in the use of the company's capital.

- **Return on Assets**

The company's profit is shown in proportion to the total assets according to the following equation: (Hargrave, 2021)

$$ROA = \frac{Net\ Income}{Total\ Assets}$$

The ratio was 13.75% in 2017 and continued to decrease to reach 6.29% in 2019. This indicates that the company did not use its assets well. Then the percentage increased in 2020 to reach 9.87%, which means that there is an improvement in the company's use of its assets.

- **Return on Investment:**

It helps in making the decision to take advantage of a particular investment opportunity or not, and is used to find out the interest that the investor gets through the following equation: (Corporate Finance Institute, n.d.)

$$ROI = \frac{Net\ Income}{Cost\ of\ Investment}$$

We find that in 2017, the ratio was 24.18% and decreased until it reached 8.98% in 2019 and this means that the investment made by the company was not successful. Then in 2020, the percentage increased to reach 12%, and this indicates an improvement in investment performance.

Efficiency:

Efficiency ratios measure how effectively a company uses its assets in order generate income. It also indicates how long it takes the company to collect its money from customers. (My Accounting Course, n.d.)

- **Asset Turnover:**

The company's efficiency is measured using assets to obtain revenues through the following equation: (Hayes, 2022)

$$Asset\ Turnover = \frac{Total\ Sales}{Total\ Assets}$$

In 2017, the ratio was 0.794 and continued to decrease until it reached 0.626 in 2020, which means that the company is not using assets efficiently to obtain revenues.

- **Inventory turnover**

It helps in the process of pricing, manufacturing and marketing by calculating the number of times the company has sold its inventory, through the following equation: (Fernando, 2021)

$$Inventory\ Turnover = \frac{COGS}{Avarage\ Value\ of\ Inventory}$$

The company's inventory turnover decreased to 5,070 in 2020 from 6,190 in 2017. This indicates that the stock turnover has decreased over the four years.

- **Accounts Receivable Turnover:**

Through it, the company's ability to collect receivables from customers is determined, through the following equation: (Murphy, 2021)

$$Accounts\ Receivable\ Turnover = \frac{Net\ Credite\ Sales}{Avarage\ Account\ Receivable}$$

We note that during the three years, the ratio decreased from 7.53 in 2017 to 5.86 in 2019, and then increased in 2020 to reach 6.85, and this indicates an improvement in the turnover of receivables.

- **Accounts Payable Turnover:**

It represents the turnover of accounts payable and is considered a key indicator of liquidity and cash flow management. The following equation is used: (Corporate Finance Institute, n.d.)

$$Accounts\ Payable\ Turnover = \frac{COGS}{Avarage\ Accounts\ Payable}$$

We note that the value during the three years increased from 14.23 in 2017 to 16.88 in 2019, which is an indication that the company was paying its creditors and suppliers. In 2020, the value decreased to 14.83, which indicates that the company is late in the debt repayment process.

Liquidity: Through these ratios, the company's ability to pay its financial obligations is known, measured, and evaluated. These ratios also indicate the company's ability to obtain cash to pay bills and short-term obligations. The higher the liquidity, the means that the company enjoys a strong financial position. (Best, 2021)

- **Quick Ratio:**

  The quick ratio helps in reading the company's short-term financial liquidity and the company's ability to pay its short-term obligations. It is calculated by the following equation:(Corporate Finance Institute, n.d.)

$$Quick\ Ratio = \frac{Total\ Current\ Assets - Inventory}{Total\ Current\ Liabilities}$$

  We note that the quick ratio in 2018 increased to 2.11 after it was 1.82 in 2017, then increased in 2019 to reach 42.42 In 2020, the quick ratio decreased to 2.20, and these ratios indicate that the company's liquidity is increasing, but at the same time, and that the ratios are greater than 1, this is an indication that the company has weak assets.

- **Cash Ratio:**

  One of the ratios that are used to measure the company's liquidity, and it is also an indicator of the company's ability to commit to repaying short-term debts. It is calculated by the following equation: (Corporate Finance Institute, n.d.)

$$Cach\ Ratio = \frac{Cash\ and\ Cash\ Equivalents}{Current\ Liabilities}$$

  We find that the ratio in 2017 was 0.45, decreased in 2018 and became 0.44, and continued to decline, reaching 0.42 in 2019 and reaching 0.39 in 2020. This decline may indicate that the company used its money better in generating additional profits.

- **Working Capital**

It is an indicator of the amount of short-term liquidity, and if the value is positive, this is an indication of the company's financial strength in investment and the ability to meet the needs of operating expenses. It is calculated from the following equation: (Beaver, 2021)

$$Working\ Capital = Current\ Assets - Current\ Liabilities$$

In 2017, the value was 70,558,776, and it rose to 95,996,272 in 2018, and continued to increase, to become in 2019 the value of 100,906,506, and then in 2020 it increased and reached 103,867,585. This is a good indication that the company has strong financial strength and is able to pay its bills, in addition to its ability to invest in other projects.

Leverage Status:

Financial leverage measures how a company can use its fixed costs to generate revenue, as well as a company's ability to pay its financial obligations. High ratios of financial leverage indicate the existence of risks that may threaten the company with bankruptcy. (Green, 2021)

- **Total Debt / Total Assets**

It is a measure of the company's influence as it is considered an indicator of the company's stability, and the amount of assets that are financed through debt. The debt in this ratio represents the sum of short-term and long-term debt. The higher the debt-to-asset ratio, the higher the financial risk and the higher the degree of financial leverage. The ratio can be calculated using the following equation: (Hayes, 2021)

$$Total\ Dept/Total\ Assets = \frac{Long\ Term\ Dept + Short\ Term\ Depd}{Total\ Assets}$$

We find that the ratio decreased in 2018 to 0.043 after it was 0.063 in 2017, and this is a good indicator of the company's influence. Then the ratio returned and rose again to 0.052 in 2019 and also increased in 2020 and reached 0.055, and this indicates an increase in the degree of financial leverage and thus an increase in financial risks.

Short Term Solvency

- **Current Ratio**

Determines the company's short-term liquidity and its ability to generate sufficient cash to pay off debts when they fall due, through the following equation: (Seth, 2021)

$$Current\ Ration = \frac{Current\ Assets}{Current\ Liability}$$

We find that the ratio has increased from 2.19 in 2017 to 2.84 in 2019, and this indicates that the company has sufficient liquidity to pay the dues. Then it returned and the ratio decreased to 2.62, which means that you have been late in payment.

Long Term Solvency

- **Dept to Capital Ratio**

It is calculated by the following equation: (My Accounting Course, n.d.)

$$Dept\ to\ Capital\ Ratio = \frac{Total\ Dept}{Total\ Dept + Shareholder's\ Equity}$$

The ratio was 0.0882 in 2017, then decreased to 0.0586 in 2018, which means that the company's financial position was good. Then the ratio increased to 0.0753 in 2020, and this indicates the company's financial weakness and that financing is done with debts rather than equity, and this leads to increased risks.

- **Dept to Equity Ratio**

It is calculated by the following equation: (Gallo, 2015)

$$Dept\ to\ Equity\ Ratio = \frac{Total\ Liabilities}{Shareholder's\ Equity}$$

We note that the ratio decreased from 0.41 in 2017 to 0.34 in 2019, which means that the company is fully financed by shares. The ratio increased to reach 0.37 in 2020, which means that the company is increasing sales to be able to make a profit.

Market Based Ratio:

It helps in determining the value of the company's shares and analyzing the trends of those shares towards the rise or fall, and thus it refers to the company's profits, in addition to evaluating the financial position of the company and its performance in its investments. (Carlson, 2019).

- **Book value per share:**

The total shareholders' equity is measured against the number of shares through the following equation: (Carlson, 2020)

$$Book\ Value\ per\ Share = \frac{Total\ Shareholder's\ Equity - Prefferd\ Stock}{Shareholder's\ Outstanding}$$

We note that it increased during the four years from 27,827.17$ in 2017 to 34,399.21$ in 2020, which means that the book value of the share has expanded and the stock has become of a higher value.

- **Operating Cash Flow per Share**

It is calculated by the following equation, and represents the company's profit that can be allocated to each share. (Corporate Finance Institute, n.d.)

$$Operating\ cash\ flow\ per\ Share = \frac{Operating\ cash\ Flow}{Share\ Outstnding}$$

In 2017, the ratio was 8.195, and it increased until it reached 8.467 in 2018, and this indicates that the company's financial performance is good and it has the ability to pay its short-term obligations. Then the percentage returned and decreased in 2019 to reach 5.66. Then it returned to witness an improvement in performance, and the percentage rose in 2020 to reach 9.264.

- **Free Cash Flow per Share**

The company's financial flexibility is measured by the following equation: (Kenton, 2021)

$$Free\ Cash\ Flow\ per\ Share = \frac{Free\ Cash\ Flow}{Share\ Outstanding}$$

We note that the ratio rose to 4.733 in 2018 after it was 2.554 in 2017, and this indicates that the company had financial flexibility and more cash flows. Then the ratio decreased to 2.496 in 2019, which means a decrease in the company's cash flow. But it returned and improved in 2020, and the percentage increased to 3,930.

Recommendations for Improvements

Profitability: The profitability of the company is improved by

1. Reduce product costs
2. Increase sales volume
3. Appropriately increase the price of sold products
4. Continuously monitor inventory and maintain adequate quantities of products that meet requirements
5. Work to reduce costs and labor costs
6. Reduce operating expenses

Efficiency: The efficiency of the company can be improved through

1. Work to increase the value of revenue
2. Work to buy assets
3. Work to collect receivables in the shortest possible period of time
4. Finding an appropriate pricing mechanism
5. Use effective marketing methods
6. Manage inventory in an effective manner and work to sell old stock and not keep it for a long time and always ensure that there is stock that meets orders
7. Diversity in production lines and not relying on one production line
8. Pay bills on time and not be late.

Liquidity: The liquidity of the company is improved by

1- Work to reduce expenses and costs
2- Selling non-essential assets instead of keeping them
3- Increasing profitability by correctly increasing the price of products, reducing product costs, and effective marketing.
4- Seeking to collect invoices from customers in a timely manner
5- Seeking to get a longer time to pay off debts in order to keep the money for a longer period.

Short Term Solvency: Short-term Solvency of the company is improved by

1- Payment of current liabilities
2- Pay off debts in the shortest and fastest time possible
3- Seeking to pay off long-term loans
4- Sale of non-essential or non-productive assets

Long Term Solvency: Long term Solvency is improved by

1- Increase the profitability of the company
2- Increasing the company's revenues
3- Increase shareholder equity
4- Managing inventory to meet requirements
5- Selling non-essential assets
6- Better debt management

New Project Analysis

Samsung wants to expand its projects and do a new project starting with 40% of the company's capital value.

Company capital = 233,763,698$

40% of the capital value = 93,505,479$

To find out the feasibility of establishing the project, it is necessary to first calculate the value of the net present value. the value of WACC is 8.3%. then calculating the present value for a period of five years is calculated from the following equation: (Thakur, 2021)

$$PV = \sum_{i=1}^{i=5} \frac{Cash\ flow}{(1+r)^i}$$

Year	Future Cash Flow	$(1+r)^i$	PV
First Year	40,000,000	1.083	36,934,441
Second Year	50,000,000	1.172889	42,629,780
Third Year	65,000,000	1.270238787	51,171,481
Fourth Year	60,000,000	1.375668606321	43,615,155
Fifth Year	55,000,000	1.489849100645643	36,916,490
Total			211,267,348

NPV = PV – Initial Investment

NPV = 211,267,348 - 93,505,479$

NPV = 117,761,869$

The net present value is positive and WACC value is 8.3%, which means that the company should invest in the new project.

The NPV is very important in calculating the present value of the future cash flows paid to the project, and therefore the project can be evaluated in terms of profit or loss. It helps in determining the profit and loss from the investment because it calculates the value of the total profit, and the NPV is a tool that takes care of all aspects related to investment such as inflows and outflows, in addition to risks, and also takes into account the time value of money, as future cash flows are less valuable than the inflows cash at the moment. (Clear Tax, 2021)

The company should use its own cash or use retained earnings

when comparing the company's capital with the retained earnings, we find that the capital, which is equal to 233,763,698$ greater than the retained earnings equal to 229,629,870$. So, the company can use its own cash and keep retained earnings.

Retained Earnings

The distribution of retained earnings is determined by the company’s management according to its work plan, whereby the retained earnings represent the net income after the dividends have been paid to the shareholders. (Fernando, 2022)

Here in the case of Samsung, and because the company is thinking of expanding and establishing new projects, it is better not to redistribute the retained earnings to shareholders and keep them for use in financing its new projects.

Results

Balance Sheet

Balance Sheet				
Description	**31-Dec-20**	**31-Dec-19**	**31-Dec-18**	**31-Dec-17**
	Amount	**Amount**	**Amount**	**Amount**
Assets				
Current assets				
Cash and cash equivalents	24,890,848	23,069,002	27,577,050	27,005,370
Short-term financial instruments	78,310,091	65,426,571	59,892,100	43,717,389
Short-term available-for-sale financial assets	-	-	-	2,821,539
Short-term financial assets at amortized cost	2,335,630	3,358,516	2,457,437	-
Short-term financial assets at fair value through profit or loss	60,528	148219200%	1,819,608	-
Trade receivables	26,231,413	30,143,757	30,783,014	24,486,410
Non-trade receivables	3,053,511	3,585,812	2,800,136	3,632,789
Prepaid expenses	1,919,680	2,064,610	3,759,439	3,390,770
Advance payments	-	1,224,266	1,237,772	1,550,446
Inventories	27,144,693	22,966,437	26,344,738	22,088,128
Other current assets	3,180,515	2,312,887	2,114,450	1,256,378
Assets held-for-sale	787,350	-	-	-
Total current assets	**167,914,259**	**155,634,050**	**158,785,744**	**129,949,219**
Non-current assets				
Financial assets at fair value through other comprehensive income	10,652,836	7,654,241	6,636,334	-
long term financial assets amortized cost			216,603	-
Financial assets at fair value through profit or loss	1,019,070	900,077	704,800	-
Long-term available-for-sale financial assets				6,853,809
Held-to-maturity financial assets				94,380
Investment in associates and joint ventures	6,842,078	6,513,833	6,647,109	6,014,052
Property, plant and equipment	109,239,795	102,813,888	104,904,411	98,725,136
Intangible assets	15,645,212	17,764,234	13,535,251	13,049,946
Long-term prepaid expenses			4,553,391	3,036,378
Net defined benefit assets	1,148,286	506,094	511,136	730,182
Deferred income tax assets	3,621,478	3,865,469	4,969,969	4,475,107
Other non-current assets	4,331,610	6,859,137	6,983,375	3,854,967
Total Non current assets	**152,500,365**	**146,876,973**	**149,662,379**	**136,833,957**
Short Term Debt	14,933,853	12,985,221	12,257,350	14,224,926
Total Assets	**320,414,624**	**302,511,023**	**308,448,123**	**266,783,176**

Balance Sheet				
Description	**31-Dec-20**	**31-Dec-19**	**31-Dec-18**	**31-Dec-17**
	Amount	**Amount**	**Amount**	**Amount**
Liabilities and Equity				
Current liabilities				
Trade payables	8,250,382	7,480,499	7,707,554	8,031,207
Short-term borrowings	14,022,898	12,350,032	12,349,168	13,940,369
Other payables	10,080,012	10,298,520	9,735,915	12,288,857
Advances received	970,322	919,862	745,554	1,104,412
Withholdings	825,545	769,958	864,612	701,617
Accrued expenses	20,610,947	16,611,144	18,487,121	12,374,298
Current income tax liabilities	3,753,014	1,190,751	7,925,816	6,549,822
Current portion of long-term liabilities	606,629	725,971	30,345	246,331
Provisions	3,684,643	3,491,005	3,984,734	3,797,109
Other current liabilities	955,324	889,802	958,653	356,421
Liabilities held-for-sale	286,958	-	-	-
Total Current liabilities	**64,046,674**	**54,727,544**	**62,789,472**	**59,390,443**
Non-current liabilities				
Debentures	803,195	836,835	874,354	842,880
Long-term borrowings	1,694,018	1,885,248	77,335	1,604,177
Long-term other payables	1,425,643	1,874,152	2,903,125	1,806,889
Net defined benefit liabilities	393,456	403,944	458,153	344,735
Deferred income tax liabilities	15,935,221	14,632,684	13,781,500	10,353,663
Long-term provisions	890,696	524,342	603,176	410,515
Other non-current liabilities	1,462,023	2,066,906	1,773,528	2,395,050
Total Non Current liabilities	**22,604,252**	**22,224,111**	**20,471,171**	**17,757,909**
Total liabilities	**86,650,926**	**76,951,655**	**83,260,643**	**77,148,352**
Equity attributable to owners of the Company				
Preference shares **(Prefered Equity)**	101,204	102,506	108,586	105,622
Ordinary shares	659,107	667,588	707,181	687,882
Share premium	3,730,668	3,778,674	4,002,780	3,893,542
Retained earnings	229,629,870	218,439,838	220,593,604	190,801,652
Other components of equity	-7,359,145	-4,263,406	-7,208,969	-12,288,465
Accumulated other comprehensive income attributable to assets held-	-10,277	-	-	-
	226,751,427	**218,725,200**	**218,203,182**	**183,200,233**
Non-controlling interests	7,012,271	6,834,168	6,984,298	6,434,591
Total equity	**233,763,698**	**225,559,368**	**225,187,480**	**189,634,824**
Total liabilities and equity	**320,414,624**	**302,511,023**	**308,448,123**	**266,783,176**

Income Statement

Income Statement				
Description	31-Dec-20 Amount	31-Dec-19 Amount	31-Dec-18 Amount	31-Dec-17 Amount
Revenue	200,606,179	197,690,938	221,568,382	211,811,887
Cost of sales	122,400,294	126,335,995	120,335,747	114,307,653
Gross profit (Gross Income)	**78,205,885**	**71,354,943**	**101,232,635**	**97,504,234**
Selling and administrative expenses	47,714,412	47,528,721	47,709,444	50,075,918
Operating profit (Operating Income)	**30,491,473**	**23,826,222**	**53,523,191**	**47,428,316**
Other non-operating income	1,172,485	1,526,149	1,349,778	2,661,763
Other non-operating expense	2,108,422	1,213,861	1,038,001	1,255,130
Share of net profit of associates and joint ventures	429,096	354,332	490,675	178,098
Financial income	10,392,246	8,718,988	9,088,569	8,608,961
Financial expense	9,587,858	7,100,090	7,824,786	7,938,380
Profit before income tax	**30,789,020**	**26,111,740**	**55,589,426**	**49,683,628**
Income tax expense	8,418,167	7,459,135	15,283,559	12,385,744
Profit for the year	**22,370,853**	**18,652,605**	**40,305,867**	**37,297,884**
Net Income	**23,068,829**	**19,014,195**	**38,807,141**	**36,555,764**
Profit attributable to Owners of the Company	22,102,325	18,451,988	39,893,236	36,553,302
Non-controlling interests	268,528	200,617	412,631	744,582
Earnings per share				
- Basic	3.25	2.72	5.87	265.12
- Diluted	3.25	2.72	5.87	265.12
Preferred Dividends	2,890.37	2,218.36	4,737.79	4,636.47

Cash Flow

Cash Flow				
Description	**31-Dec-20** **Amount**	**31-Dec-19** **Amount**	**31-Dec-18** **Amount**	**31-Dec-17** **Amount**
Operating activities				
Profit for the year	22,370,853	18,415,633	38,049,231	38,344,321
Adjustments	35,256,304	31,718,800	37,414,045	32,913,064
Changes in assets and liabilities arising from operating activities	103,708	-2,156,585	-8,515,406	-9,653,214
Cash generated from operations	**57,730,865**	**47,977,848**	66,947,870	61,604,171.0000
Interest received	1,880,804	1,953,820	1,534,604	1,437,108.0000
Interest paid	-470,429	-491,317	-470,434	-493,284.0000
Dividends received	206,417	204,837	185,328	157,520
Income tax paid	-4,041,108	-11,199,983	-10,681,998	-6,205,277
Net cash from operating activities	**55,306,549**	**38,445,205**	57,515,370	56,500,238
Investing activities				
capital expenditures	-31,845,320	-21,489,774	-25,360,292	-38,894,659
Net cash used in investing activities	-45,430,360	-33,841,273	-	-
End of year	**24,890,848**	**22,775,922**	**26,033,073**	**27,763,038**
Comprehensive income attributable to:				
Owners of the Company	18,954,012	20,993,415	39,885,598	31,728,637
Non-controlling interests	304,568	247,176	409,142	704,625

Comparative Ratios

Comparative Ratios				
Description	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
Profitability Status				
Return on Assets "ROA"	7.20%	6.29%	12.58%	13.70%
Return on Equity "ROE"	9.87%	8.43%	17.23%	19.28%
Return on Investment	12.00	8.98	20.88	24.18
Gross Margin	38.98%	36.09%	45.69%	46.03%
Operating Margin	15.20%	12.05%	24.16%	22.39%
EBITDA Margin	28.37%	24.90%	33.06%	30.69%
Net Profit Margin	11.50%	9.62%	17.51%	17.26%
Liquidity Status				
Quick Ratio	2.20	2.42	2.11	1.82
Cash Ratio	0.39	0.42	0.44	0.45
Working Capital	103,867,585	100,906,506	95,996,272	70,558,776
Efficiency Turnovers				
Assets Turnover Ratio	0.626	0.653	0.718	0.794
Inventory Turnover Ratio	5.070	5.160	4.820	6.190
Account Receivable Turnover Ratio	6.85	5.86	6.60	7.53
Account Payable Turnover Ratio	14.836	16.889	15.613	14.233
Leverage Status				
Total Debt / Total Assets	0.055	0.052	0.043	0.063
Short-term Solvency				
Current Ratio	2.62	2.84	2.53	2.19
Long-term Solvency				
Debt to Capital Ratio	0.0700	0.0656	0.0554	0.0810
Debt to Equity Ratio	0.37	0.34	0.37	0.41
Market-based Ratios				
Book Value Per Share	34,399.21	33,191.20	33,135.56	27,827.17
Free Cash Flow Per Share	3,930	2,496	4,733	2,554
Operating Cash Flow Per Share	9,264	5,660	8,467	8,195

Conclusion

An analysis of Samsung's financial ratios shows that the company has made profits in the four years and is somewhat stable in terms of liquidity and capital, and therefore it is able to commit to repaying short-term debts. Profits can be improved and the company's strategies developed through effective management. It also shows through the liquidity ratios and the value of the assets owned by the company that the company is in financial health that makes it able to pay its obligations.

Changes that have occurred in the economic environment and the presence of strong competitors in the field of electronics such as Apple and Huawei may be one of the reasons that led to the decline in sales. In addition, the company did not use its assets in the best way to generate sales. In 2020, despite the Corona pandemic, it was not the worst for the company, although it faces great challenges, but it was able to achieve liquidity and preserve capital. Therefore, Samsung must take effective administrative measures and decisions to achieve in order to be able to solve problems and achieve profits.

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