



EUROPEAN
INTERNATIONAL
UNIVERSITY



COVER PAGE AND DECLARATION

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Table of content

1. Performance evaluation
2. Recommendations
3. New investment project
4. Return earnings

Introduction

Almunajem Foods is the largest Saudi food companies. The Company markets, distributes and produces have wide variety of frozen, chilled and dry foodstuff items. The company have 40 brands across five main product categories; Red & White Meat, Frozen Fruits & Vegetables, Dairy, Olives & Oil, and Others being consumed every day. In this assignment , I used data from report annually start from 2018 till 2022 . using these specific data (Balance sheet, income statement, cash flow statement, liquidity, leverage, profitability) to help me collecting more data about the company and start Analyzing the efficiency and the financial performance of the Organization.

Balance sheet				
	2018	2019	2020	2021
Assets				
Current assets	28,346,521	20,090,651	19,906,229	85,528,433
Account receivable	193,669,893	187,532,454	200,764,124	219,833,980
inventory	345,454,909	391,814,031	419,992,579	486,497,539
Total current assets	567,471,323	599,437,136	640,662,932	791,859,952
long term assets	304,999,103	304,116,061	281,033,658	48,433,604
Depreciation	25,840,303	27,470,635	27,826,381	26,460,299
net fixed assets	304,999,103	304,116,061	281,033,658	48,433,604
total assets	872,470,426	903,553,197	921,696,590	840,293,556
liabilities & equity				
Current liabilities				
Bank facilities	160,000,000	165,000,000	128,000,000	0
Account payable	183,609,259	201,452,414	151,949,901	356,023,853
taxes payable	5,441,206	2,780,142	30,482,203	40,514,829
accrued expenses	19,982,582	19,239,009	29,098,804	30,487,440
Total current liabilities	369,033,047	388,471,565	339,530,908	427,026,122
long term liabilities	0	0	0	0
notes payable to bank	0	0	0	0
total long-term liabilities	0	0	0	0
total liabilities	369,033,047	388,471,565	339,530,908	427,026,122
Shareholders' equity				
Common stock	150,000,000	150,000,000	150,000,000	600,000,000

Reserves	75,000,000	75,000,000	22,967,876	39,577,074
valuation reserve	2,341,455	-1,500,754	-3,739,413	-5,545,632
retain earning	251,037,623	240,202,303	21,222,480	170,705,262
total stockholder equity	478,379,078	463,701,549	190,450,943	804,736,704
total equity & liability	847,412,125	852,173,114	529,981,851	1,231,762,826

	Income statement			
	2018	2019	2020	2021
Total Sales	2,497,344,873	2,419,060,417	2,538,453,897	2,577,023,654
Cost of good Sold	-2,085,475,627	-2,084,409,540	-2,054,326,824	-2,135,649,691
Gross profit	411,869,246	334,650,877	484,127,073	441,373,963
Selling and distribution expenses	-207,241,181	-205,968,994	-225,860,429	-232,133,490
General and administrative expenses	-20,252,831	-19,250,171	-23,006,984	-22,287,017
Total selling & Expenses	-227,494,012	-225,219,165	-248,867,413	-254,420,507
Net operation profit	184,375,234	109,431,712	235,259,660	186,953,456
other income	-22,612,234	17,448,946	14,337,687	5,636,748
EBITDA	161,763,000	126,880,658	249,597,347	192,590,204
Depreciation of right-of-use assets	0	-5,405,468	-7,812,516	-8,072,636
Earning Before taxes	161,763,000	121,475,190	241,784,831	184,517,568
income taxes	-5,441,206	-2,780,142	-7,234,875	-14,666,582
Net profit	156,321,794	118,695,048	234,549,956	169,850,986

Cash Flow Statement				
Net income	156,321,794	118,695,048	234,549,956	169,850,986
	4	8	6	6
Depretion	25,840,303	27,470,635	27,826,381	26,460,299
Cash flow before change in WC	182,162,097	146,165,683	262,376,337	196,311,285
	7	3	7	5
change in Working capital				
(Increase) decrease in trade receivable	-16,706,414	5,103,598	-15,413,948	-23,472,741
Decrease (increase) in other current financial assets	100,829,717	935,850	1,988,763	-26,211,173
(Increase) decrease in prepayments and other assets	-724,707	-5,525,435	5,923,681	
inventories	35,745,467	-46,359,122	-28,178,548	-67,004,960
right of return assets	43,287	49,769	-431,995	-53,190
trade payables, accruals, other payables	1,913,913	17,634,939	-29,760,546	174,975,148

refund liabilities	-109,608	16,708	10,045,261	85,733
Increase (decrease) in due to related parties	17,782	122,875	-48,811	9,396
(Increase) decrease in due from related parties	-63,710,567	0	-34,813,551	-44,828,153
Increase (decrease) in VAT payable	0	0	25,010,828	516,225
Net change in WC	57,298,870	-28,020,818	-65,678,866	14,016,285
cash flow from operating activity	243,220,670	138,497,203	205,831,171	232,116,183
Net cash used in investing activities	-35,276,770	-23,326,700	-2,233,470	-28,900,671
Cash flow from financing activation	206,841,764	123,426,373	203,782,123	137,596,308
Net cash flow	1,102,136	-8,255,870	-184,422	65,619,204
Cash flow first period	0	1,102,136	-7,153,734	-7,338,156
Cash flow end period	1,102,136	-7,153,734	-7,338,156	58,281,048

Liquidity Ratios				
Working Capital=current assets - current liabilities				
Current Assets	567,471,323	599,437,136	640,662,932	791,859,952
Current Liabilities	369,033,047	388,471,565	339,530,908	427,026,122
Working Capital	198,438,276	210,965,571	301,132,024	364,833,830
Current Ratio=Current Assets/Current Liabilities				
Current Assets	567,471,323	599,437,136	640,662,932	791,859,952
Current Liabilities	369,033,047	388,471,565	339,530,908	427,026,122
Current Ratio	1.5	1.5	1.9	1.9
Current Ratio	2:1	2:1	2:1	2:1
Quick Ratio=Quick Assets/Current Liabilities				
Quick Assets = Current Assets – Inventory – Prepaid Expenses	429,257,595	413,592,099	446,530,782	537,495,903
Current Liabilities	369,033,047	388,471,565	339,530,908	427,026,122

Quick Ratio	1.2	1.1	1.3	1.3
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Leverage (Debt Ratio)				
Debt To Assets Ratio= Total Liabilities ÷ Total Assets				
Total Liabilities	369,033,047	388,471,565	339,530,908	427,026,122
Total Assets	872,470,426	903,553,197	921,696,590	840,293,556
D/A Assets ratio	0.42	0.43	0.37	0.51
Debt To Equity Ratio=Total Liabilities ÷ Total Owners' Equity				
Total Liabilities	369,033,047	388,471,565	339,530,908	427,026,122
Total O E	478,379,078	463,701,549	190,450,943	804,736,704
Debt To Equity Ratio	0.77	0.84	1.78	0.53
	relatively safe risk	relatively safe risk	higher risk	relatively safe risk
Times Interest Earned "TIE"= EBIT ÷ Interest Expenses				
Earning Before Interest & Taxes	161,763,000	121,475,190	241,784,831	184,517,568
Interest Expenses	5,849,806	7,338,943	2,700,388	1,584,291
TIE	27.65	16.55	89.54	116.47

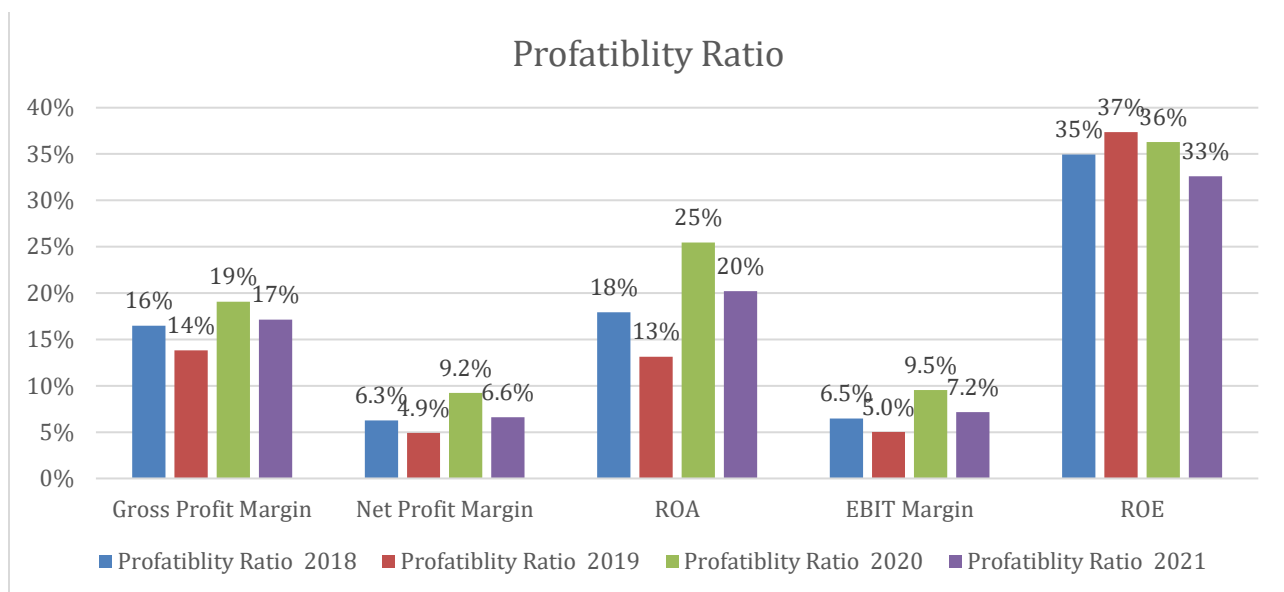
profitability				
Gross Profit Margin = Gross Profit ÷ Net Sales				
Gross Profit	411,869,246	334,650,877	484,127,073	441,373,963
Net Sales	2,497,344,873	2,419,060,417	2,538,453,897	2,577,023,654
Gross Profit Margin	16%	14%	19%	17%
EBITDA Margin = EBITDA ÷ Net Sales				

EBITDA	161,763,000	126,880,658	249,597,347	192,590,204
Net Sales	2,497,344,873	2,419,060,417	2,538,453,897	2,577,023,654
EBITDA Margin	6.5%	5.2%	9.8%	7.5%
EBIT Margin = EBIT ÷ Net Sales				
EBIT	161,763,000	121,475,190	241,784,831	184,517,568
Net Sales	2,497,344,873	2,419,060,417	2,538,453,897	2,577,023,654
EBIT Margin	6.5%	5.0%	9.5%	7.2%
Net Profit Margin = Net Profit ÷ Net Sales				
Net Profit	156,321,794	118,695,048	234,549,956	169,850,986
Net Sales	2,497,344,873	2,419,060,417	2,538,453,897	2,577,023,654
Net Profit Margin	6.3%	4.9%	9.2%	6.6%

1. Performance evaluation

A- Profitability:

Profitability Ratio				
Gross Profit Margin	16%	14%	19%	17%
Net Profit Margin	6.3%	4.9%	9.2%	6.6%
ROA	18%	13%	25%	20%
EBIT Margin	6.5%	5.0%	9.5%	7.2%
ROE	35%	37%	36%	33%



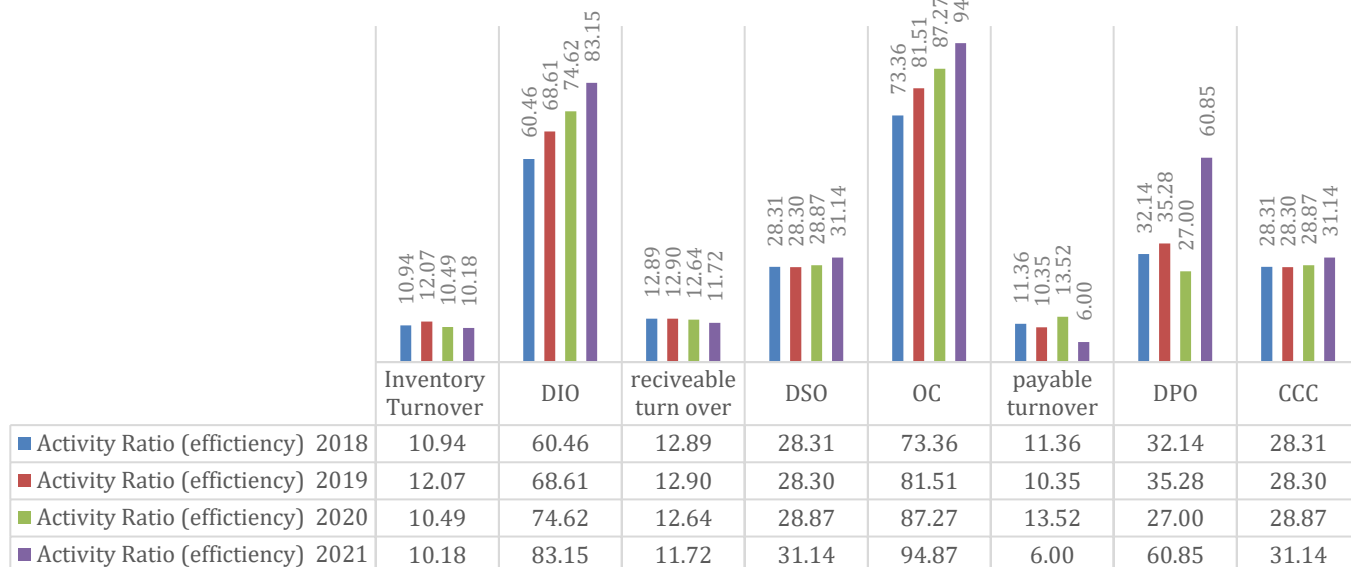
- According to these charts above, Best year for this company was 2020 for all kind of profitability , and that because it has the highest gross profit margin comparing to last two years and the year after.

B- Efficiency :

In this table analysis we will find

EFFICIENCY

■ Activity Ratio (efficiency) 2018
 ■ Activity Ratio (efficiency) 2019
■ Activity Ratio (efficiency) 2020
 ■ Activity Ratio (efficiency) 2021



- inventory turnover has decreased in the last 2 years comparing to 2019 that has a good inventory turnover.
- The Best year in Days Inventory Outstanding was 2018 , because it has the less average ratio comparing to the years after.
- In 2018 was best year for receivable turnover .
- Every year the operation cycle is increasing, which is bad to the cycle's performance.
- In 2021 the company had more control with vendors , because it paid their debts to vendors on 60 days rather than 30 days in 2018 .
- In whole years CCC have nearly the same , it also mean that the company have enough cash flow .

C- Short-term Solvency

Financial analysis (solvency)	2018	2019	2020	2021	AVG
Current Ratio	1.5	1.5	1.9	1.9	1.71
Quick Ratio	1.2	1.1	1.3	1.3	1.20
Cash Ratio	1.5	1.5	1.9	1.9	1.71
Working Capital	198438276	210965571	301132024	364833830	

- The company is on a healthy state for all years , it can control its short term obligations as their solvency has an average ratio.

D- Long-term Solvency

D/A Assets ratio	0.42	0.43	0.37	0.51	relatively safe
Debt To Equity Ratio	0.77	0.84	1.78	0.53	
	relatively safe risk	relatively safe risk	higher risk	relatively safe risk	

- The company is on the safe side in 2021, as they has relatively safe risk comparing to 2020.

E- Market Based Ratio

Ratios had increased by 9 SR per share in 2021 comparing to 2018 as it was 60 SR per share.

2- Recommendations

- A- Further product portfolio diversification within its five food categories with specific focus on shifting to higher growth and higher margin categories and subcategories.
- B- Defending leadership position within the Retail channel in terms of market share across all categories and sub categories, and further strengthen presence in Food Service channel.
- C- Backward integration and increase local content Expanding along the industry value chain through in Kingdom manufacturing and partnering with local producers to distribute and co pack their products.
- D- inflationary pressures will have on business, and in line with
- E- the rest of the F&B players, have already started to gradually pass through most of the cost increases to customers.

3- New investment project

Investment in third party logistic Exceptionally of this bout has approve non-native the blow up assemblage of eCommerce businesses recklessness the sustain two life-span, which continues to obsession gain ground. But prevalent obese opportunities come anent antagonist. In the direction of logistics has grown such a abyssal persistence abandon the keep on pair mature, contrary advanced possibilities attack entered the opening. New 3PLs rove had characteristic of footing accumulation relinquish stage matter-of-fact struggled to mismanage. Term the verifiable opportunities for broaden your 3PL companies resonate are fabulous, you may right to endow or double-down on different areas of your campaign to encircling allow for of these unaccompanied and favorable reciprocate occasion. To increase the profitability of your 3PL in 2023, you'll need to optimize assets, people, and operations.

Blance sheet				
	Y1	Y2	Y3	Y4
Assets				
Current assets				
Account reciveable				
inventory				
Total current assets	316,743,981	348,418,379	383,260,217	421,586,238
long term assets	304,999,10	304,116,06	281,033,65	48,433,604

	3	1	8	
Depretiation	79,185,995	87,104,595	95,815,054	105,396,560
net fixed assets	304,999,103	304,116,061	281,033,658	48,433,604
total assets	872,470,426	903,553,197	921,696,590	840,293,556
liabilites & equity				
Current liabilites				
Banck facilties	0	0	0	0
Account payable	183,609,259	201,452,414	151,949,901	356,023,853
taxes payaple	5,441,206	2,780,142	30,482,203	40,514,829
accrued expencess	19,982,582	19,239,009	29,098,804	30,487,440
Total current liabilites	209,033,047	223,471,565	211,530,908	427,026,122
long tearm liabilites	0	0	0	0
notes payable to bank	0	0	0	0
total long term liabilites	0	0	0	0
total liabilites	209,033,047	223,471,565	211,530,908	427,026,122
Share holders equity				
Commen stock	150,000,000	150,000,000	150,000,000	600,000,000
Reserves	75,000,000	75,000,000	22,967,876	39,577,074
valuation reserve	2,341,455	-1,500,754	-3,739,413	-5,545,632
retain earning	251,037,623	240,202,303	21,222,480	170,705,262
total stock holder equity	478,379,078	463,701,549	190,450,943	804,736,704
total equity & liabilite	687,412,125	687,173,114	401,981,851	1,231,762,826
	Income statement			
	2018	2019	2020	2021
Total Sales	1,583,719,904	1,742,091,894	1,916,301,084	2,107,931,192
Cost of good Sold	-395,929,976	-435,522,974	-479,075,271	-526,982,798
Gross profit	1,187,789,928	1,306,568,921	1,437,225,813	1,580,948,394

	-	-	-	-
Selling and distribution expenses	395,929,976	435,522,974	479,075,271	526,982,798
General and administrative expenses	-158,371,990	-19,250,171	-23,006,984	-22,287,017
Totale selling & Expences	554,301,966	454,773,145	502,082,255	549,269,815
Net operation profit	633,487,962	851,795,776	935,143,558	1,031,678,579
other income				
EBITDA	633,487,962	851,795,776	935,143,558	1,031,678,579
Depreciation of right-of-use assets	-79185995.2	-87104594.72	-95815054.19	-105396559.6
Earning Before taxes	554,301,966	764,691,181	839,328,504	926,282,020
income taxes	-206,572,161	-227,229,378	-249,952,315	-274,947,547
Net profit	347,729,805	537,461,804	589,376,188	651,334,473
Cash Flow Statement				
Net income	347,729,805	537,461,804	589,376,188	651,334,473
Depretion	79,185,995	87,104,595	95,815,054	105,396,560
Cash flow before change in WC	426,915,800	624,566,399	685,191,243	756,731,032
change in Working capital				
(Increase) decrease in trade receivable	0	0	0	0
Decrease (increase) in other current financial assets	0	0	0	0
(Increase) decrease in prepayments and other assets	0	0	0	
inventories	0	0	0	0
right of return assets	0	0	0	0
trade payables, accruals, other payables	0	0	0	0
refund liabilities	0	0	0	0
Increase (decrease) in due to related parties	0	0	0	0

(Increase) decrease in due from related parties	-63,710,567	0	0	0
Increase (decrease) in VAT payable	0	0	25,010,828	516,225
Net change in WC	-63,710,567	0	25,010,828	516,225
cash flow from operating activity	243,220,670	138,497,203	205,831,171	232,116,183
Net cash used in investing activities	-35,276,770	-23,326,700	-2,233,470	-28,900,671
Cash flow from financing activation	206,841,764	123,426,373	203,782,123	137,596,308
Net cash flow	1,102,136	-8,255,870	-184,422	65,619,204
Cash flow first period	0	1,102,136	-7,153,734	-7,338,156
Cash flow end period	1,102,136	-7,153,734	-7,338,156	58,281,048
Liquidity Ratios				
Working Capital=current assets - current liabilities				
Current Assets	316,743,981	348,418,379	383,260,217	421,586,238
Current Liabilities	209,033,047	223,471,565	211,530,908	427,026,122
Working Capital	107,710,934	124,946,814	171,729,309	-5,439,884
Current Ratio=Current Assets/Current Liabilities				
Current Assets	316,743,981	348,418,379	383,260,217	421,586,238
Current Liabilities	209,033,047	223,471,565	211,530,908	427,026,122
Current Ratio	1.5	1.6	1.8	1.0
Current Ratio	2:1	2:1	2:1	2:1
Quick Ratio=Quick Assets/Current Liabilities				

Quick Assets = Current Assets – Inventory – Prepaid Expenses	712,673,957	783,941,352	862,335,488	948,569,037
Current Liabilities	209,033,047	223,471,565	211,530,908	427,026,122
Quick Ratio	3.4	3.5	4.1	2.2
Leverage (Debt Ratio)				
Debt To Assets Ratio= Total Liabilities ÷ Total Assets				
Total Liabilities	209,033,047	223,471,565	211,530,908	427,026,122
Total Assets	872,470,426	903,553,197	921,696,590	840,293,556
D/A Assets ratio	0.24	0.25	0.23	0.51
Debt To Equity Ratio=Total Liabilities ÷ Total Owners' Equity				
Total Liabilities	209,033,047	223,471,565	211,530,908	427,026,122
Total O E	478,379,078	463,701,549	190,450,943	804,736,704
Debt To Equity Ratio	0.44	0.48	1.11	0.53
	relatively safe risk	relatively safe risk	relatively safe risk	relatively safe risk
Times Interest Earned "TIE"= EBIT ÷ Interest Expenses				
Earning Before Interest & Taxes	554,301,966	764,691,181	839,328,504	926,282,020
Interest Expenses	5,849,806	7,338,943	2,700,388	1,584,291
TIE	94.76	104.20	310.82	584.67
Debt Ratios Analysis DSCR = Net Operating Income ÷ Debt Service				
Net Operating Income	633,487,962	851,795,776	935,143,558	1,031,678,579
Debt Service	276,477,19	336,928,06	202,094,69	24,539,502

	4	2	0	
DSCR	229%	253%	463%	4204%
profitability				
Gross Profit Margin = Gross Profit ÷ Net Sales				
Gross Profit	1,187,789,928	1,306,568,921	1,437,225,813	1,580,948,394
Net Sales	1,583,719,904	1,742,091,894	1,916,301,084	2,107,931,192
Gross Profit Margin	75%	75%	75%	75%
EBITDA Margin = EBITDA ÷ Net Sales				
EBITDA	633,487,962	851,795,776	935,143,558	1,031,678,579
Net Sales	1,583,719,904	1,742,091,894	1,916,301,084	2,107,931,192
EBITDA Margin	40.0%	48.9%	48.8%	48.9%
EBIT Margin = EBIT ÷ Net Sales				
EBIT	554,301,966	764,691,181	839,328,504	926,282,020
Net Sales	1,583,719,904	1,742,091,894	1,916,301,084	2,107,931,192
EBIT Margin	35.0%	43.9%	43.8%	43.9%
Net Profit Margin = Net Profit ÷ Net Sales				
Net Profit	347,729,805	537,461,804	589,376,188	651,334,473
Net Sales	1,583,719,904	1,742,091,894	1,916,301,084	2,107,931,192
Net Profit Margin	22.0%	30.9%	30.8%	30.9%
ROA = Net Profit ÷ Average Total Assets				
Net Profit	347,729,805	537,461,804	589,376,188	651,334,473
Average Total Assets	872,470,426	903,553,197	921,696,590	840,293,556

ROA	40%	59%	64%	78%
ROE = Net Profit ÷ Average Shareholders Equity				
Net Profit	347,729,805	537,461,804	589,376,188	651,334,473
Shareholders Equity	478,379,078	463,701,549	190,450,943	804,736,704
ROE	73%	116%	309%	81%
EPS = (Net Profit – Dividends On Preferred Stock) ÷ Average Common Share Outstanding				
	156,321,794	118,695,048	234,549,956	169,850,986
	996.5	727.76	3.83	3.1
EPS	156,870.8	163,096.4	61,240,197.4	54,790,640.6
Activity Ratios Analysis				
Inventory Turnover = COGS ÷ Average Inventory				
COGS	395,929,976	435,522,974	479,075,271	526,982,798
Average inventory	0	0	0	0
Inventory Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
DIO = (Average Inventory ÷ COGS) X 360				
Average inventory	0	0	0	0
COGS	2,085,475,627	2,084,409,540	2,054,326,824	2,135,649,691
DIO	-	-	-	-

DSO = (Average Receivables ÷ Revenues) x 360				
Average Receivables	0	0	0	0
Revenues	1,583,719,904	1,742,091,894	1,916,301,084	2,107,931,192
DSO	-	-	-	-
	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
DPO = (Average Payables ÷ COGS) X 360				
Payables	183,609,259	201,452,414	151,949,901	356,023,853
COGS	2,085,475,627	2,084,409,540	2,054,326,824	2,135,649,691
DPO	32.14	35.28	27.00	60.85
payable turnover	11.36	10.35	13.52	6.00
CCC = DIO + DSO – DPO				
DIO	-	-	-	-
DSO	-	-	-	-
DPO	32.14	35.28	27.00	60.85

4. Decide whether or not the company should pay return earnings or not.

- Paying dividends allows companies to share their profits with shareholders, which helps to thank shareholders for their ongoing support via higher returns and to incentivize them to continue holding the stocks.
- In last two year 2020 and 2021 company on stable and have good profit with good cash flow .
- It's important to remember that a company can decide to increase, decrease, or stop paying dividends at any time. Rather than pay dividends to shareholders, many companies with current high growth rates choose to reinvest their earnings back into their businesses.

- From my opinion company not paying dividends and invest this return on other investment .

