ING WHOLESALE BANKING

## Ukraine

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# Concern Galnaftogaz

## Review of 2007 financials

Maintained (since 09/06/06)

**Marketperform**

## Oil product retailers

Bloomberg
GLNGUZ

15 May 2008

**OJSC Concern Galnaftogaz controls 7.7% of the Ukrainian oil product retail market. With stronger-than-expected revenues in 2007, the company enjoyed healthy growth. We maintain our Marketperform on its outstanding bonds.**

**OJSC Concern Galnaftogaz has disclosed its 2007 financials** compiled under Ukrainian Accounting Standards (UAS). Over the year, the company enjoyed strong growth, with sales rising 25% YoY to US$644.3m.

**Over the year, Galnaftogaz strengthened its position in the sector.** Its capex programme was aggressive, reaching US$130.1m, up from US$42.8m in 2006. Galnaftogaz financed its capex programme both through borrowed funds and through a US$48m capital injection from an affiliated company, GNG Finance Public Limited, which placed convertible notes in November 2007. In 2007, total debt reached US$173.7m, up from US$118.6m the year before. Meanwhile, the company has been maintaining a healthy liquidity position.

**In 2007, the company's profit generation improved further,** with the EBITDA margin reaching 5.27%, up from 5.1% the year before.

**Local currency bonds issued by Concern Galnaftogaz**

| Bond | Curr | Cpn (%) | Amount (Pm) | Maturity | Price | Spread (bp) | MD |
|---|---|---|---|---|---|---|---|
| UA130076AD09 (OGNGD) | UAH | 12 | 30 | 25-Jun-10 | 99.714 | 437 | 0.12 |
| UA130076AE08 (OGNGE) | UAH | 12 | 30 | 26-Jul-10 | 99.54 | 465 | 0.2 |
| UA130076AF07 (OGNGF) | UAH | 11 | 30 | 26-Aug-10 | 99.074 | 420 | 0.28 |

Note: Prices as at 12 May 2008, and are clean and expressed as a percentage of face value. Spread to government bond due in December 2009. All bonds have annual put options.
Source: PFTS, ING

**Key financials (US$m)**

| | 2005 | 2006 | 2007* |
|---|---|---|---|
| Sales | 385.1 | 514.7 | 644.3 |
| EBITDA | 16.2 | 26.2 | 34.0 |
| Net income | 8.0 | 8.3 | 5.6 |
| Assets | 163.8 | 248.6 | 370.4 |
| Equity | 61.9 | 89.1 | 147.8 |
| Debt | 65.8 | 118.6 | 173.7 |
| CFO | (13.7) | 11.3 | (6.9) |
| CFI | (20.7) | (44.2) | (103.5) |
| CFF | 35.1 | 40.1 | 111.2 |
| Capex | 19.5 | 42.8 | 130.1 |

Note: 2005 and 2006 financials have been compiled under IFRS; 2007 financials under Ukrainian Accounting Standards (UAS)

**Key ratios (x)**

| | 2005 | 2006 | 2007 |
|---|---|---|---|
| EBITDA margin (%) | 4.21 | 5.10 | 5.27 |
| Net margin (%) | 2.08 | 1.61 | 0.86 |
| EBITDA/int exp | 3.79 | 2.56 | 2.39 |
| Debt/EBITDA | (1.70) | 4.52 | 5.12 |
| ST debt/debt (%) | 53.13 | 40.74 | 22.64 |
| Debt/assets (%) | 40.15 | 47.71 | 46.89 |
| Current ratio | 1.21 | 1.30 | 1.44 |
| Quick ratio | 0.99 | 1.03 | 1.09 |
| Cash ratio | 0.05 | 0.14 | 0.13 |

# Key credit considerations

## Positives

*Galnaftogaz positions itself as a customer-focused full-service oil retailer*

**Fast-growing, customer-focused oil product retailer**. As of 1 January 2008, OJSC Galnaftogaz operated a network of 252 filling stations, located in 18 regions of the country. The company intends to satisfy customers' needs to the widest possible extent, hence it has positioned its filling stations as multi-purpose retail sites. Apart from gasoline and diesel oil sales, which have the largest shares in the company's sales structure, Galnaftogaz also sells condensed gas, drying oil and other goods related to fuel. The company offers a wide range of fuel storage and transportation services. Galnaftogaz is not affiliated to any oil-processing company (a 79.7% stake in Galnaftogaz belongs to a Cyprus-based enterprise, GNG Retail Limited), which makes it flexible in terms of gasoline and diesel oil suppliers.

*The company readily discloses its data beyond legislative requirements*

**Galnaftogaz shows a higher transparency level than the local market average,** as the company readily discloses its financial reports and other data beyond the local legislative requirements. Galnaftogaz has been auditing and compiling its financials under IFRS since 2003.

*Galnaftogaz has a strong market position…*

**Galnaftogaz has a strong market position**, controlling 7.7% of the domestic oil product retail market. Despite fierce competition in the sector, the company intends to strengthen its market position further. In 2007, Galnaftogaz enjoyed healthy growth with sales reaching US$644.3m, rising 25% YoY. Meanwhile, EBITDA margin accounted for 5.27%.

*…in a fast-growing domestic oil retail sector*

**Domestic oil retail sector provides good prospects.** Fundamentally, in our view, domestic gasoline and diesel oil consumption is likely to post reasonable growth in coming years due to the growing numbers of car and an increase in transport services. In 2007, Ukraine's total number of cars reached 7.8m vehicles.

## Concerns

*Strong competition forces Galnaftogaz to increase capex*

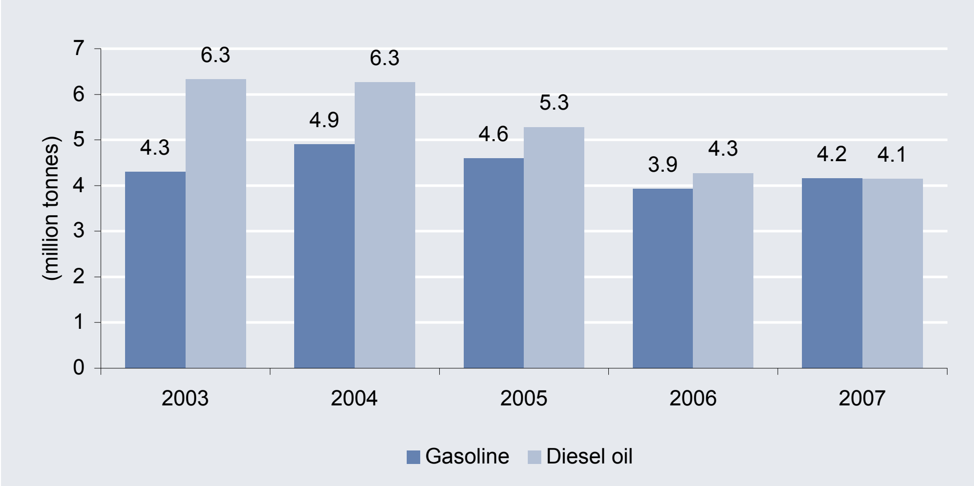
**Owing to strong competition in the sector,** customer loyalty is crucial for oil retailers. In its competition for market share, Galnaftogaz is carrying out an aggressive capex programme (FY07 capex reached US$130m). Meanwhile, the company seems to be managing its liquidity position efficiently.

# Market review

***Domestic oil product consumption is larger than the output of local plants***

The domestic oil processing sector has been relatively stable over recent years. While annual production of gasoline has been drifting around 4m tonnes, domestic annual output of diesel oil has been decelerating slightly and reached 4.1m tonnes in 2007. One of the reasons for this mild slowdown might be that two large domestic oil processing plants were not operating in 2007, owing to reconstruction works. Actual gasoline consumption in the country is larger than domestic output, therefore Ukraine imports gasoline from Russia and other countries. In 2007, imports of gasoline totalled 1.2m tonnes, growing by 8.5% YoY.

**Fig 1 Ukraine gasoline and diesel oil output**

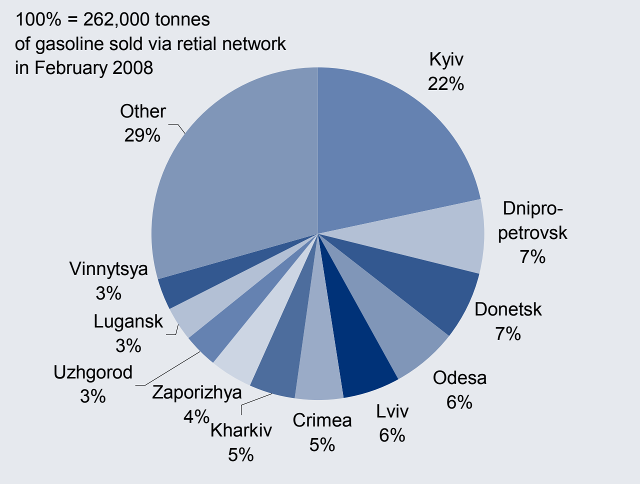



Source: State Statistics Committee

***Gasoline and diesel oil as a single group have a 15% share of Ukraine's total retail turnover***

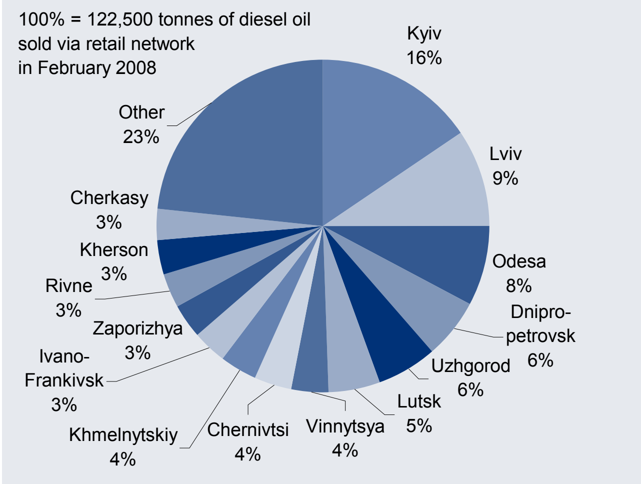
Gasoline and diesel oil sales have a large share (15% in 9M 2007) of Ukraine's total retail turnover. In February 2008, the retail fuel sector was operated by 6,035 filling stations located across the country. While February's gasoline sales increased 23.6% YoY, reaching 262,000 tonnes, total monthly volume of diesel oil sold rose 22.7% YoY, totalling 122,500 tonnes. The largest volumes of gasoline sales were registered in Kiev, Dnipropetrovsk, Donetsk, Odesa and Lviv.

**Fig 2 Regional structure of gasoline sales, February 2008**




Source: State Statistics Committee

**Fig 3 Regional structure of diesel oil sales, February 2008**

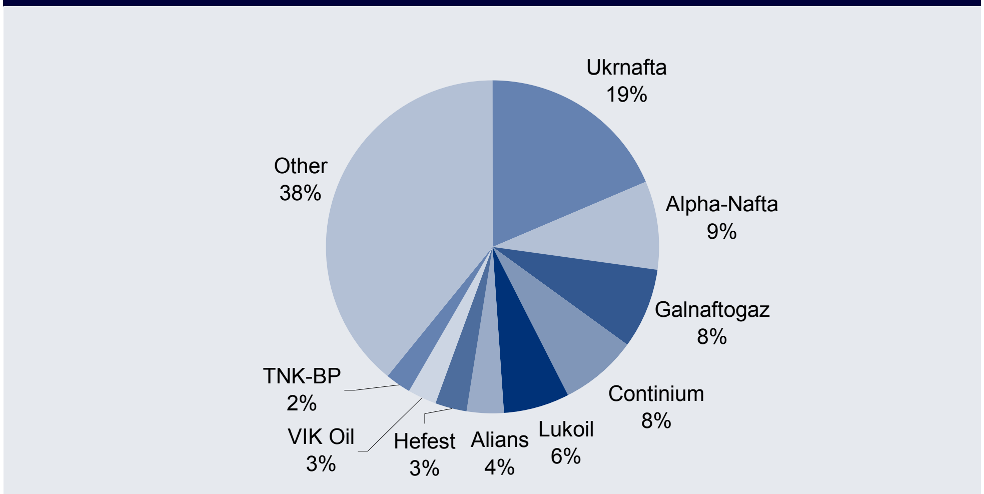



Source: State Statistics Committee

***Domestic fuel retail market is fragmented***

The Ukraine fuel retail market is fragmented, but several companies dominate. At year-end 2007, according to a domestic company, Universal Investment Group, the top nine companies controlled a 60% share of the domestic market. The largest retailer, with a 19% market share, was Ukrnafta, which comprises several brand networks (Avia, Sentoza and Maveks).

**Fig 4 Top oil products retail companies by market share, year-end 2007**




Source: Universal Investment Group

***The sector has been facing consolidation over the recent years***

Over recent years, the domestic fuel retail sector has been facing consolidation. In 2006, there were 1,806 retail fuel companies, down from 2,022 the year before. According to the local statistical agency, the sector was operated by 1,664 retail companies in October 2007.

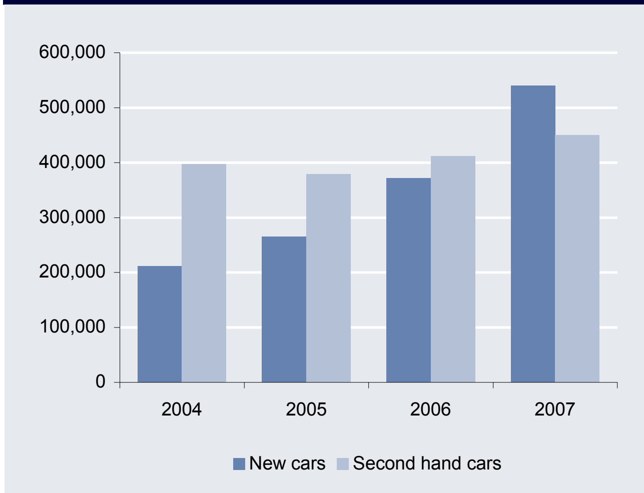
***Domestic oil retail sales are being fuelled by growing car number and transport services. In 2007, domestic new car sales grew 46% YoY***

The domestic oil retail sector is being fuelled both by an increasing number of cars and growing automobile services. In 2007, Ukrainian car market posted robust growth. According to AutoConsulting, the total number of cars registered in the country reached 6.43m at year-end 2007. In 2007, while sales of new cars reached 540,000, growing 46% YoY, Ukrainians bought nearly 450,000 second-hand cars. The main reasons behind this rapid acceleration, in our view, were constant increase in wages and further growth of consumer lending. Over the year, while wages rose along with the general economic upward trend, Ukrainian banks, according to the local press, provided loans for the purchase of over 200,000 new cars. Taking into account the further development of the banking system, we expect consumer lending to post good growth this year. In addition, a high inflation rate (CPI reached 26.2% YoY in March 2008) also pushes Ukrainians towards investing money in cars and property. Even if car sales dynamics post a mild slowdown to 30-40% YoY this year on the back of market saturation, the sector will still remain attractive, in our view.

**Fig 5 Total household loans of Ukrainian banks**


Source: NBU

**Fig 6 Total car sales in Ukraine**

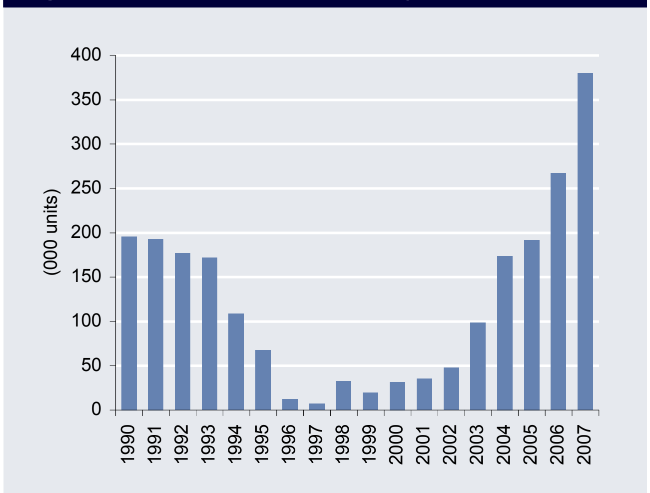



Source: AutoConsulting

***Domestic car output grew by 42.2% YoY in 2007***

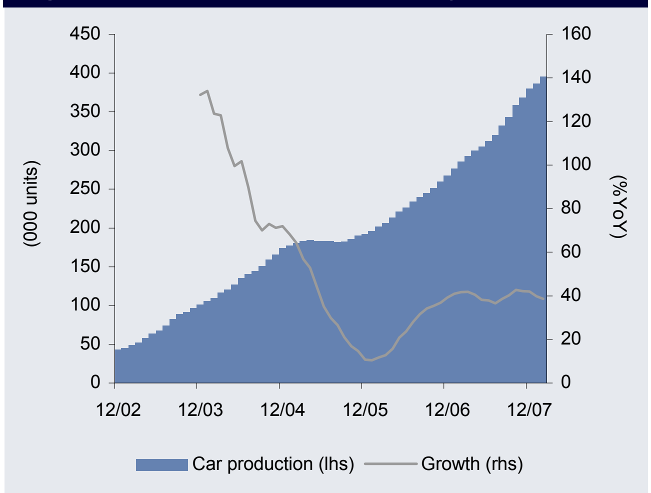
Over recent years, domestic car production has posted strong growth. In 2007, Ukraine car output totalled 380,000 cars, growing 42.2% YoY. In January-March 2008, Ukrainian plants produced 106,000 cars in total. Despite growing competition in the sector, domestic producers have some advantages (availability of service and spare parts, relatively lower prices than those of imported cars), which can be strengthened via marketing tools. Although the domestic market still experiences some grey import effects caused mainly by customs evasion (which results in lower car prices compared with the average market level), they seem to be reduced by both government programmes and a shift of consumer preferences towards purchasing cars via officially registered car traders.

**Fig 7 Ukraine car production dynamics**




Source: State Statistics Committee

**Fig 8 Annualised car production dynamics**

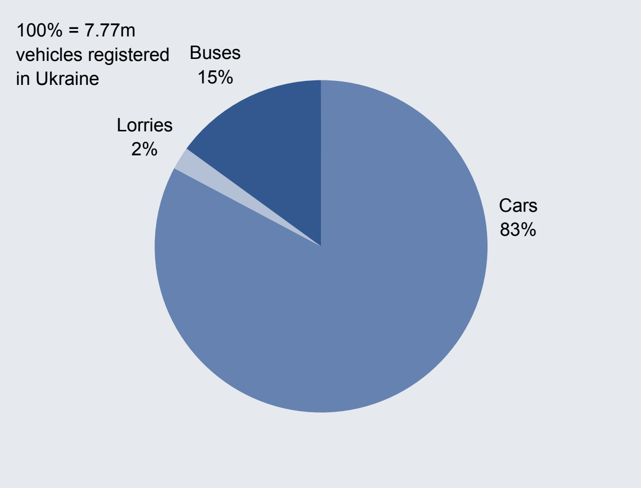



Source: State Statistics Committee

*As of 1 January 2008, there were 7.8m vehicles in the country*

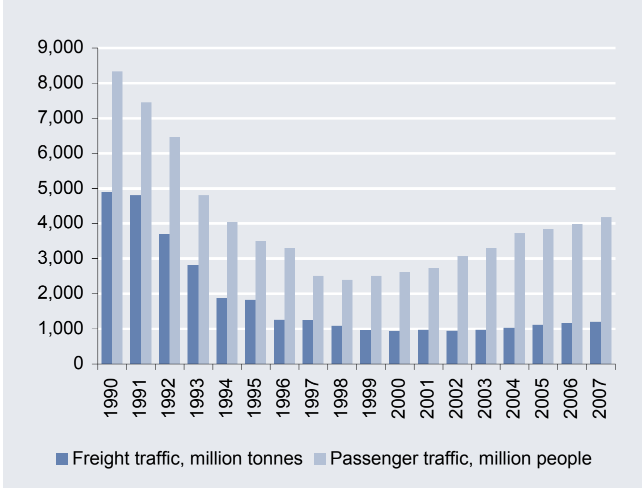
As at 1 January 2008, according to the local press, the Ukrainian total vehicle fleet consisted of 6.4m cars, 1.2m buses and 167,234 lorries. Hence, cars accounted for an 83% share of all vehicles registered in the country. Over recent years, automobile services have enjoyed reasonable growth in Ukraine. While freight traffic remained relatively stable, annual passenger traffic reached 4.2bn people in 2007. Figure 10 details domestic dynamics of automobile services in Ukraine.

**Fig 9 Structure of Ukraine vehicle park, end-2007**




Source: Press-Birzha

**Fig 10 Ukraine automobile services dynamics**

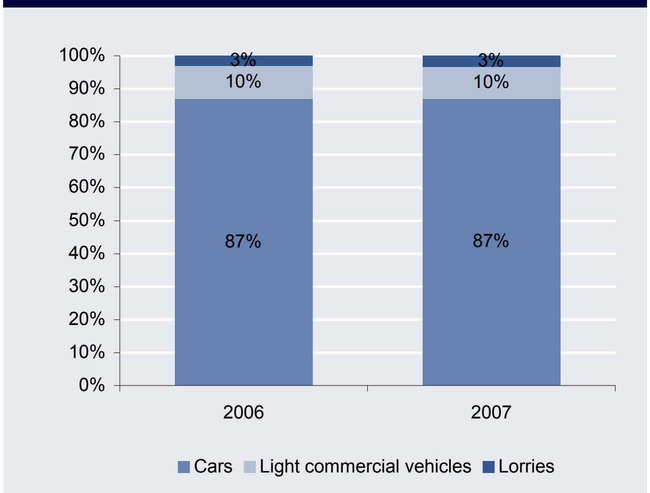



Source: State Statistics Committee

*In Europe, FY07 car output reached 17.1m*

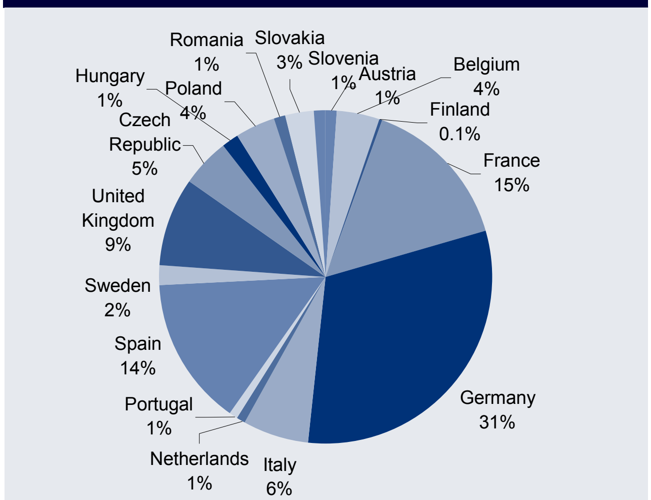
In Europe, car production posted growth of 5.5% YoY in 2007. According to European Automobile Manufacturers' Association (ACEA), Europe is the world's largest vehicle producer, as FY07 car output reached 17.1m cars. The main markets are Germany (31% of FY07 total European vehicle output), France (15%), Spain (14%), the UK (9%) and Italy (6%). Over the year, the European market was also driven by demand from the new EU member countries, where car density is lower compared with the average EU level. However, the demand on cars was restrained by global economic turmoil, declining purchasing power and rising gasoline prices. In 2007, cars accounted for an 88-90% share of all vehicles registered in Europe.

**Fig 11 Structure of European vehicle production**




Source: ACEA

**Fig 12 2007 structure of European vehicle production by country**




Source: ACEA

# Financial analysis

## 2007 results

***In 2007, Galnaftogaz enjoyed 25% YoY growth in sales.***

Galnaftogaz has disclosed its 2007 financial statements compiled according to Ukrainian Accounting Standards (UAS). According to this data, its sales grew 25% YoY to US$644.3m in 2007. Over the year, Galnaftogaz strengthened further its position in the sector. In 2007, company's capex programme was very aggressive, reaching US$130.1m, up from US$42.8 in 2006.

***Company's main shareholder issued convertible notes in 2007***

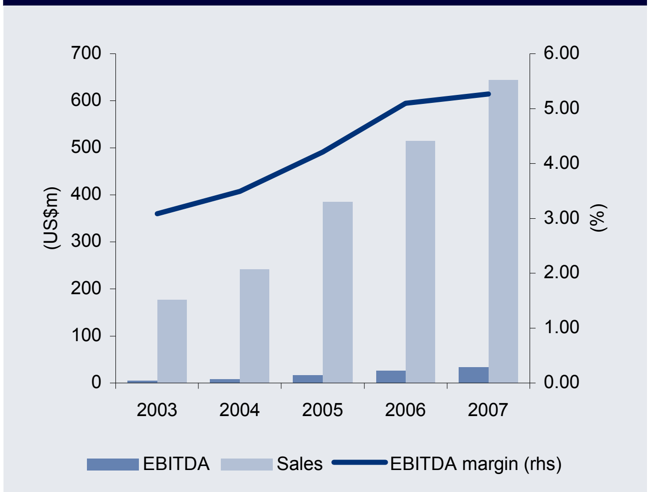
In November 2007, GNG Finance Public Limited, which is affiliated to Galnaftogaz, issued US$50m 5% mandatory convertible notes with maturity in 2012. The notes are convertible into shares of GNG Finance Public Limited or Galnaftogaz, if the Ukraine-based oil retailer holds an IPO. Sole bookrunner and manager of the deal was Citigroup Global Markets Limited.

The largest share of proceeds from the deal (US$48m) will be used as a source for capex programme financing. Galnaftogaz intends to extend not only its filling station network, but also a network of Tobi shops and Tokava coffeehouses. Galnaftogaz shareholders also decided to raise the company's share capital by UAH15m (US$3m) to UAH175.3m (US$34.7m).

***Galnaftogaz's debt payback ratios remain healthy despite a growing debt burden***

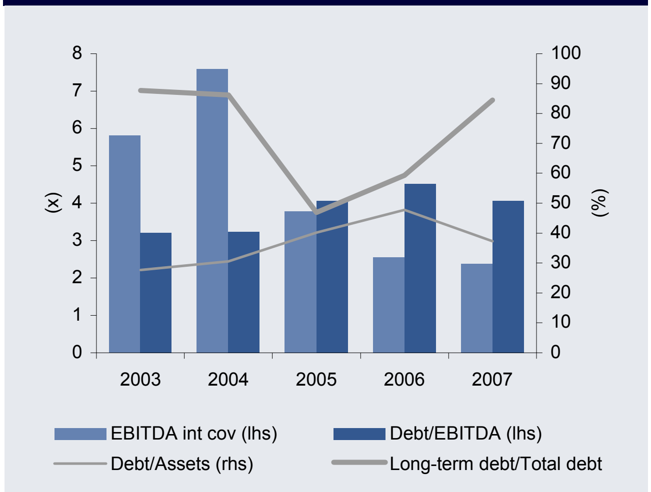
In 2007, the total debt burden reached US$173.7m, up from US$118.6m the year before. However, the company is extending the maturity of its debt as long-term debt prevailed in the FY07 debt structure, having a 77.4% share of total debt volume. Meanwhile, debt payback ratios remain healthy. In 2007, debt accounted for 47% of total assets, while EBITDA interest coverage fell from 2.56x in 2006 to 2.39x in 2007.

**Fig 13 Dynamics of revenues and earnings**




Source: Company data

**Fig 14 Debt payback and leverage ratios**




Source: Company data

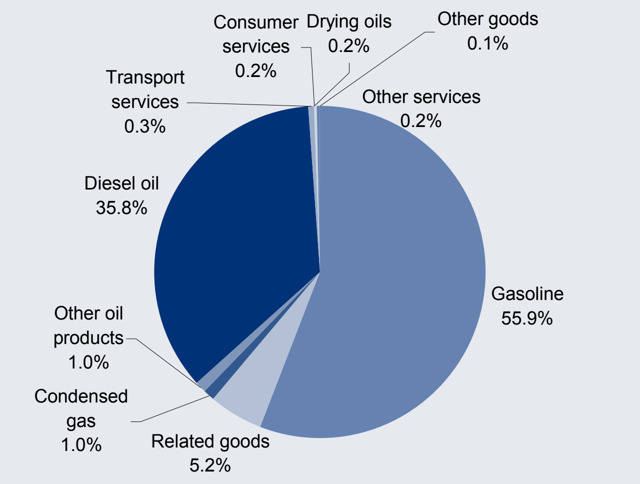
***The company showed further improvements in cost management***

Over the year, Galnaftogaz showed further improvements in cost management, as gross margin, which was calculated under UAS, rose from 8.88% in 2006 to 12.01% a year later. We also expect a significant improvement in gross margin based on IFRS financial figures. Along with a rise in profitability ratios, company's EBITDA margin reached 5.27% in 2007.

*In 2007, 92% of total sales volume came from gasoline and diesel oil sales*

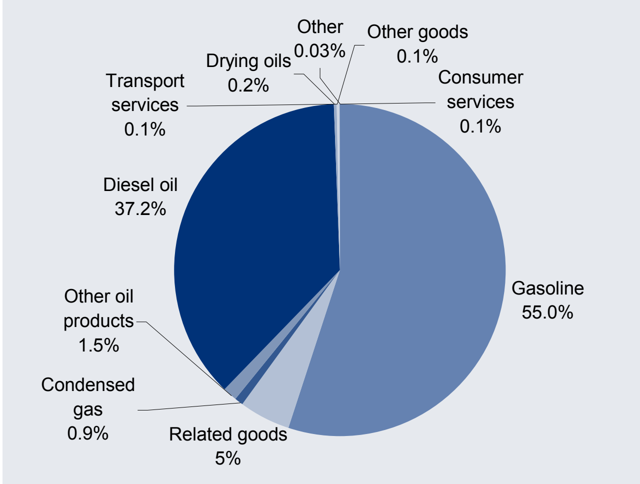
The bulk of Galnaftogaz revenues are formed by gasoline and diesel oil sales. In 2007, gasoline and diesel oil amounted in total to a 91.3% share of total sales volume. Another 5.2% share was represented by related goods. The FY07 cost structure was nearly the same as the year before: naturally, the largest costs were represented by gasoline and diesel oil.

**Fig 15 FY07 revenue structure**




Source: Company data

**Fig 16 FY07 cost structure**




Source: Company data

*Galnaftogaz maintains a healthy liquidity position*

Over the year, Galnaftogaz improved its liquidity position. Therefore, the current liabilities coverage by current assets (current ratio) grew from 1.3x in 2006 to 1.44x in 2007. Meanwhile, in 2007 the quick ratio reached 1.09x, up from 1.03x the year before.

# Peer group comparison

## Selected sector peers

In our peer group comparison, we have used publicly available financial reports of three companies based in emerging European economies. We have analysed gasoline distributors such as Petrol AD (based in Bulgaria, Not Rated), Petrol d.d. (Slovenia, Not Rated) and Petrol Ofisi A.S. (Turkey, YTL 5.65, Hold, TP YTL 5.5).

*Galnaftogaz has one of the lowest debt/EBITDA ratios among its peers*

With US$130m capex, Galnaftogaz looks more capital-intensive than its peers from Bulgaria and Slovenia. Meanwhile, it operates with healthy debt payback ratios, having one of the lowest debt/EBITDA ratios among its peers. In terms of profitability, Galnaftogaz enjoys an EBITDA margin of 5.27%, while Petrol AD operates with a 4.59% margin, and Petrol d.d. an even slimmer 3.0% margin. However, Turkish Petrol Ofisi A.S. enjoys high profitability ratios, with EBITDA margin reaching 4.8%.

### Fig 17 Galnaftogaz comparison with peers in gasoline sector

| | Galnaftogaz | Petrol AD | Petrol d.d. | Petrol Ofisi A.S. |
|---|---|---|---|---|
| | **Ukraine** | **Bulgaria** | **Slovenia** | **Turkey** |
| | **2007** | **LTM 9M07** | **2007** | **2007** |
| **Ratings (Moody's/S&P/Fitch)** | **-/-/-** | **-/CCC+/B-** | **-/-/-** | **-/B+/BB-** |
| **No. of filling stations** | **252** | **500** | **380** | **3,384** |
| **Income statement (US$000)** | | | | |
| Net sales | 644,269 | 869,207 | 2,821,896 | 11,509,537 |
| Gross income | 77,405 | 94,596 | 280,902 | 736,060 |
| Operating income | 23,546 | 27,973 | 54,858 | 456,551 |
| Net income | 5,568 | 9,971 | 66,850 | 266,589 |
| EBIT | 23,546 | 27,973 | 54,858 | 456,551 |
| EBITDA | 33,950 | 39,916 | 84,892 | 552,909 |
| Interest expense | 14,220 | 12,615 | 11,422 | 83,843 |
| **Cash flow (US$000)** | | | | |
| Net operating cash flow (OCF) | (6,876) | (52,205) | 12,211 | 544,148 |
| Capex | 130,093 | 5,060 | 38,178 | 194,074 |
| Free operating cash flow (FOCF) | (136,969) | (47,145) | (25,967) | 350,074 |
| **Balance sheet (US$000)** | | | | |
| Assets | 370,398 | 497,952 | 1,538,582 | 4,964,540 |
| Cash | 11,222 | 60,502 | 15,337 | 347,094 |
| Equity | 147,845 | 126,811 | 565,192 | 2,274,501 |
| Liabilities | 222,278 | 497,954 | 973,390 | 2,690,382 |
| Long-term | 136,353 | 237,933 | 409,033 | 1,337,872 |
| Short-term | 85,925 | 133,209 | 564,356 | 1,352,510 |
| Debt | 173,673 | 255,278 | 516,264 | 568,058 |
| Long-term | 134,349 | 235,248 | 379,006 | 483,972 |
| Short-term | 39,324 | 20,030 | 137,258 | 84,087 |
| Net debt | 162,451 | 194,776 | 500,926 | 220,964 |
| **Profit margins (%)** | | | | |
| Gross margin | 12.01 | 10.88 | 9.95 | 6.40 |
| Net margin | 0.87 | 1.15 | 2.37 | 2.32 |
| EBIT margin | 3.65 | 3.22 | 1.94 | 3.97 |
| EBITDA margin | 5.27 | 4.59 | 3.01 | 4.80 |
| **Returns on investment (%)** | | | | |
| ROE | 5.06 | 15.73 | 4.71 | 5.48 |
| ROA | 1.88 | 4.00 | 2.06 | 3.95 |
| **Debt payment ratios (x)** | | | | |
| Pre-tax interest coverage | 1.66 | 2.22 | 4.80 | 5.45 |
| EBITDA interest coverage | 2.39 | 3.16 | 7.43 | 6.59 |
| **Debt payback ratios (x)** | | | | |
| Debt/EBITDA | 5.12 | 6.40 | 6.08 | 1.03 |
| Net debt/EBITDA | 4.78 | 4.88 | 5.90 | 0.40 |
| **Working capital turnover ratios (x)** | | | | |
| Receivables turnover | 40 | 16 | 46 | 32 |
| Inventory turnover | 19 | 53 | 16 | 22 |
| Payables turnover | 16 | 48 | 54 | 27 |

Source: Company data

# Financials

### Fig 18 Summary income statement (UAH000)

| | 2003 audited IFRS | 2004 audited IFRS | 2005 audited IFRS | 2006 audited IFRS | 2007 unaudited UAS |
|---|---|---|---|---|---|
| Sales | 942,375 | 1,283,605 | 1,944,616 | 2,599,175 | 3,253,559 |
| Cost of goods sold | (897,692) | (1,222,630) | (1,830,841) | (2,443,822) | (2,862,666) |
| **Gross income** | **44,683** | **60,975** | **113,775** | **155,353** | **390,893** |
| Selling, general & administrative expenses | (22,449) | (30,979) | (45,848) | (65,598) | (268,237) |
| Other operating income/(expenses) | (2,832) | 357 | (5,060) | 17,876 | (3,751) |
| **Operating income** | **19,402** | **30,353** | **62,867** | **107,631** | **118,906** |
| Finance income | 989 | 3,307 | 1,507 | 0 | 124,176 |
| Finance expense | (7,768) | (5,708) | (14,140) | (51,825) | (71,809) |
| Other expenses | 0 | 0 | 0 | 0 | (123,437) |
| Pre-tax income | 12,623 | 27,952 | 50,234 | 55,806 | 47,836 |
| Income tax | (1,536) | (5,704) | (9,745) | (13,839) | (19,499) |
| **Net income** | **11,087** | **22,248** | **40,489** | **41,967** | **28,337** |

Source: Company data

### Fig 19 Summary balance sheet (UAH000)

| | 2003 audited IFRS | 2004 audited IFRS | 2005 audited IFRS | 2006 audited IFRS | 2007 unaudited UAS |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Cash & cash equivalents | 9,308 | 13,348 | 16,342 | 52,766 | 56,672 |
| Accounts receivable | 60,569 | 89,929 | 239,619 | 209,719 | 356,673 |
| Inventories | 15,156 | 30,210 | 72,042 | 104,990 | 151,949 |
| Other current assets | 20,993 | 45,677 | 72,298 | 130,277 | 68,804 |
| Total current assets | 106,026 | 179,164 | 400,301 | 497,752 | 634,097 |
| **Non-current assets** | | | | | |
| Property, plant & equipment (PPE) | 179,194 | 239,895 | 405,818 | 739,084 | 895,703 |
| Intangible assets | 8,930 | 7,777 | 8,123 | 7,112 | 11,336 |
| Investments | 35,249 | 41,986 | 2,264 | 31 | 45 |
| Other non-current assets | 6,692 | 7,210 | 10,614 | 11,529 | 329,331 |
| Total non-current assets | 230,065 | 296,868 | 426,819 | 757,756 | 1,236,415 |
| **Total assets** | **336,091** | **476,032** | **827,120** | **1,255,508** | **1,870,512** |
| **Current liabilities** | | | | | |
| Accounts payable | 62,984 | 113,092 | 154,161 | 138,507 | 133,244 |
| Loans & borrowings | 11,461 | 20,049 | 176,434 | 244,006 | 108,030 |
| Other current liabilities | 7,247 | 4,050 | 736 | 553 | 192,650 |
| Total current liabilities | 81,692 | 137,191 | 331,331 | 383,066 | 433,924 |
| **Non-current liabilities** | | | | | |
| Loans & borrowings | 81,674 | 125,327 | 155,657 | 354,965 | 588,464 |
| Other non-current liabilities | 4,787 | 9,608 | 26,782 | 66,929 | 100,118 |
| Total non-current liabilities | 86,461 | 134,935 | 182,439 | 421,894 | 688,583 |
| Minority interest | 48 | 494 | 560 | 523 | 744 |
| Shareholders' equity | 167,890 | 203,412 | 312,790 | 450,025 | 746,615 |
| **Total liabilities & shareholders' equity** | **336,091** | **476,032** | **827,120** | **1,255,508** | **1,869,866** |

Source: Company data

**Fig 20 Ratios**

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|
| **Profitability indicators (%)** | | | | | |
| Gross margin | 4.74 | 4.75 | 5.85 | 5.98 | 12.01 |
| EBITDA margin | 3.08 | 3.49 | 4.21 | 5.10 | 5.27 |
| EBIT margin | 2.06 | 2.36 | 3.23 | 4.14 | 3.65 |
| Net margin | 1.18 | 1.73 | 2.08 | 1.61 | 0.87 |
| Return on average assets (ROAA) | 6.60 | 5.48 | 6.21 | 4.03 | 1.88 |
| Return on average equity (ROAE) | 6.60 | 11.98 | 15.69 | 11.00 | 5.06 |
| **Debt payment indicators (x)** | | | | | |
| Pre-tax interest coverage | 3.88 | 5.14 | 2.91 | 2.08 | 1.66 |
| EBITDA interest coverage | 5.82 | 7.59 | 3.79 | 2.56 | 2.39 |
| Debt/EBITDA | 3.20 | 3.24 | 4.06 | 4.52 | 5.12 |
| Debt/CFO | 4.62 | 9.19 | -4.79 | 10.49 | -25.26 |
| Debt/FCFO | -1.13 | -3.17 | -1.98 | -3.76 | -1.27 |
| Net debt/EBITDA | 2.88 | 2.94 | 3.86 | 4.12 | 4.78 |
| Net debt/CFO | 4.16 | 8.34 | -4.55 | 9.57 | -23.62 |
| Net debt/FCFO | -1.01 | -2.88 | -1.88 | -3.43 | -1.19 |
| **Leverage indicators (%)** | | | | | |
| Debt/assets | 27.71 | 30.54 | 40.15 | 47.71 | 46.89 |
| Debt/capital | 55.46 | 71.30 | 105.98 | 132.94 | 117.35 |
| Long-term debt/total debt | 87.69 | 86.21 | 46.87 | 59.26 | 77.36 |
| Short-term debt/total debt | 12.31 | 13.79 | 53.13 | 40.74 | 22.64 |
| **Liquidity indicators (x)** | | | | | |
| Current ratio | 1.30 | 1.31 | 1.21 | 1.30 | 1.44 |
| Quick ratio | 1.11 | 1.09 | 0.99 | 1.03 | 1.09 |
| Cash ratio | 0.11 | 0.10 | 0.05 | 0.14 | 0.13 |
| **Turnover indicators (days) (%)** | | | | | |
| Receivables turnover | 23 | 26 | 45 | 29 | 40 |
| Inventory turnover | 6 | 9 | 14 | 16 | 19 |
| Payables turnover | 25 | 33 | 30 | 20 | 16 |

Source: Company data

# Disclosures Appendix

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**Buy:** expected 1-year total return that significantly exceeds the 1-year expected total return of the relevant market.

**Outperform**: expected 1-year total return that modestly exceeds the 1-year expected total return of the relevant market.

**Marketperform**: expected 1-year total return that will be in line with the 1-year expected total return of the relevant market.

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