



# TAFGAI

THE ACCOUNTING & FINANCE GROUP  
IN ARTIFICIAL INTELLIGENCE

## FINANCIAL & RISK ANALYSIS

### SAMPLE COMPANY

Industry: **Building Construction**

Latest FY: **2020**

Country of Origin: **Singapore**

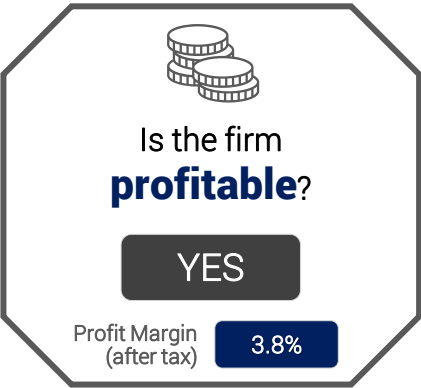
Currency: **Singapore Dollar (SGD)**

Date of Analysis: **12<sup>th</sup> February 2021**

### Lite Report

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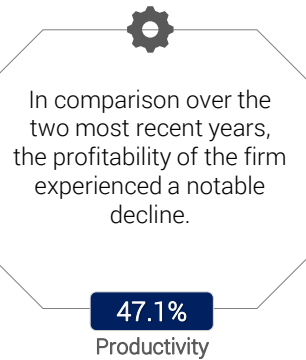
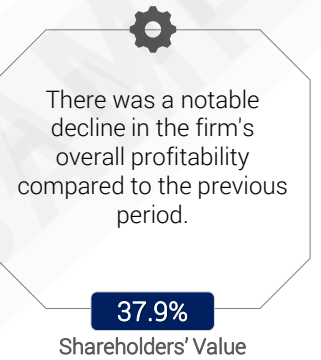


## FINANCIAL HEALTHCHECK

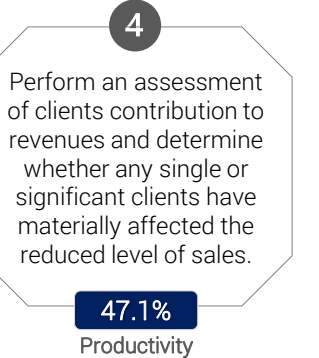
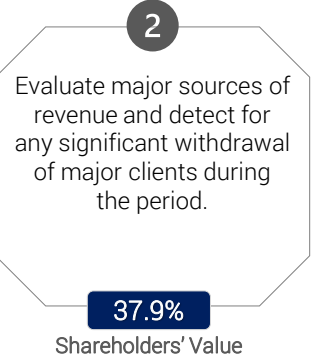
Entity may be experiencing some volatility and challenges in its sales and profitability. Sales for the firm had been very neutral and reflected a muted performance. Demand for its goods and services were not apparent. Modest increase in costs was experienced by the firm during the period. The cost of generating additional revenue was slightly higher compared to the previous year. Profit levels remained modest relative to sales. May not be adequately attractive for shareholders who may demand for higher margins. Small decline in profit margins was experienced where this could signify increasing competition and operational costs during the period.

Limited value to shareholders in terms of profitability, margins and liability exposure. The shareholders experienced major constraints to their investments during the period. The valuation of the firm could be eroded significantly because of the decline in ROE. The Shareholder funds of the firm was somewhat average, relative to its total liability exposure during the period. There is very little risk that the liability exposure would affect the firm's underlying valuation for the period. There was a notable decline in the firm's overall profitability compared to the previous period. Profit levels remained modest relative to sales. May not be adequately attractive for shareholders who may demand for higher margins.

## FINANCIAL RISK AREAS



## FINANCIAL OUTLOOK



Was the firm able to generate **higher sales**?



**NO**

Sales Growth

**-0.5%**

This indicates where the firm's topline is growing or not and to find out if there are any structural or cyclical factors affecting it.

Did **sales move faster** than cost growth?



**NO**

Cost Growth /Sales

**6.4%**

This gives a broad picture if the costs are growing in line with the growth in sales or if the firm is exposed to higher cost structure even if the sales is growing.

Was the company **financially strong** generally?



**NO**

Credit Score

**48.3%**

The credit score takes into account balance sheet and P&L of the company. A higher score indicates a stronger credit position.

Was the **exposure to liabilities** manageable?



**NO**

Liabilities to Equity

**130.3%**

This reflects the extent the firm is exposed to fixed obligations versus the capital it has built over the years and whether it has adequate buffer.

Was the company **relying heavily on short-term obligations**?



**YES**

Current Liability Ratio

**0.65**

Assesses the proportion of total liabilities that are due in the near term. A secondary measure of liquidity as it does not measure the firm's ability to pay for the liabilities.

Were the **shareholders well rewarded** by the firm's performance?



**NO**

Return on Equity

**6.14%**

This measure relates to how much profits the firm is generating for the company's shareholders; a higher ROE needs to be measured against the risks it is taking.

Were the **profit levels growing**?



**NO**

Pre-Tax Profit

**-53.7%**

A company that is showing consistent earnings growth indicates a positive outlook. A company that shows negative growth may indicate tougher times ahead.

Were the **assets generating profits**?

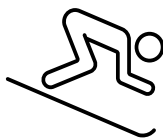


**YES**

Return on Asset

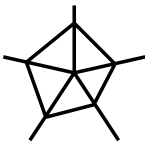
**1.8%**

This is a measure of how well the firm is utilising its assets to generate profits for the firm. A productive asset backed by a cost-efficient operation is a good indicator of a well-run firm.



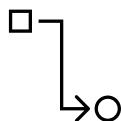
Is the company operating in a risky industry?

**YES**



What is the overall sentiment on the industry in the last 12 months?

**NEGATIVE**



Would the industry situation significantly affect the company?

**YES**



Is the information about the company readily available?

**YES**



Is there negative news reported on the company?

**NO**



Is there negative news reported on the company's officers?

**NO**

## WORDCLOUD

# NEUTRAL

[illegible]



## WORDCLOUD

## NEGATIVE

[illegible]

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## WORDCLOUD

Impact on the business

**POSITIVE**

[illegible]



With the coronavirus pandemic threatening the global openness and integration that have allowed Singapore to prosper, President Halimah Yacob said there's "great urgency" to transform the city-state's economy. "Much of our economy thrives because we have made ourselves a vibrant hub for the region and an attractive place for trade, investments, talent and ideas," Halimah said Monday, addressing the first session of parliament since July's general election. "We cannot take our hub status for granted, or assume that its scope and role will remain the same." She said the country will resume air travel safely and help its companies develop links to new markets. Meanwhile, efforts to bolster resilience in critical areas such as food, health care and supply chain management can become new sources of growth, while the Southeast Asian nation will also make a major push for sustainable growth including for green financing across the region, she said.

# KEY FINANCIAL RATIOS

## FINANCIAL DATA

Currency: SGD	2019	2018	% Change
Sales	\$ 201,275,678.00	\$ 202,238,336.00	-0.5%
Profit Before Tax	\$ 11,196,299.00	\$ 24,194,056.00	-53.7%
Profit After Tax	\$ 7,732,039.00	\$ 17,659,692.00	-56.2%
Total Asset	\$ 420,173,976.00	\$ 368,677,637.00	14.0%
Total Liabilities	\$ 237,720,342.00	\$ 194,069,747.00	22.5%
Current Liabilities	\$ 155,082,125.00	\$ 122,699,512.00	26.4%
Shareholders' Fund	\$ 182,453,634.00	\$ 174,607,890.00	4.5%

## PERFORMANCE METRICS

 Business Potential Ratios		 Risk & Valuation Ratios	
	%		%
Rate of Sales Growth	-0.5%	Return on Equity (pre tax)	6.1%
Rate of Cost Growth	6.8%	Total Liabilities-to-Equity Ratio	130.3%
Cost/Sales Growth	6.4%	Profit Before Tax Growth	-53.7%
Profit Margin (after tax)	3.8%	Profit Margin (after tax)	3.8%
Profit Margin Growth	-4.9%	Current Liability Ratio	36.9%
Return On Assets Growth	-2.9%	Total Liability Growth vs Sales Growth	23.0%
Return on Assets (after tax)	1.8%	Rate of Sales Growth	-0.5%
Profit Before Tax Growth	-53.7%		
Asset Growth	14.0%		





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FINANCIAL & RISK ANALYSIS

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