

Assignment 1 SCF Ratios

Download the 2019 annual reports of:

Company	URL
Philips	https://www.results.philips.com/publications/ar19
Unilever	https://www.unilever.com/Images/unilever-annual-report-and-accounts-2019_tcm244-547893_en.pdf
Heineken	https://www.theheinekencompany.com/sites/theheinekencompany/files/Investors/financial-information/results-reports-presentations/heineken-nv-hnv-2019-annual-report.pdf
Ahold-Delhaize	https://www.aholddelhaize.com/en/investors/financial-information/annual-reports/

From the annual reports you can retrieve the following data for 2018 and 2019 for each company:

	2018	2019
Assets		
Current Assets		
Inventory		
Debtors (AR)		
Equity		
Long term Loans		
Current Liabilities		
Creditors (AP)		
Revenues or Sales		
COGS		
Net Income		

The MS Excel file calculates for each company:

Ratio	2018	2019
Equity ratio (ϵ)		
Debt ratio (λ)		
ROE		
NPM		
TAT		
EM		
ROE (DuPont)		
NWC (Accounting Definition)		
NWC (SCF Definition)		
Payables turnover		
Days' purchases in payables (DPO)		
Receivables turnover		
Days' sales in receivables (DSO)		
Inventory turnover		
Days' in inventory (DIO)		
Cash Conversion Cycle or C2C		

1. Explain / Interpret for each company the calculate ratios:
 - a. Financial structure (Equity ratio and Debt ratio).
 - b. The 3 elements of the DuPont identity and their link to ROE
 - c. DSO or Average collection period (Debtors)
 - d. DIO or Inventory turnover period
 - e. DPO or Average payment period (Creditors)
 - f. C2C or Cash Conversion Cycle

2. Explain / Interpret for all the companies the calculate ratios (by benchmarking):
 - a. Financial structure (Equity ratio and Debt ratio).
 - b. The 3 elements of the DuPont identity and their link to ROE
 - c. DSO or Average collection period (Debtors)
 - d. DIO or Inventory turnover period
 - e. DPO or Average payment period (Creditors)
 - f. C2C or Cash Conversion Cycle