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Thread: [Is that proper english? \[native american/english\]](#)

Heisenberg Walter White - February 3, 2018, 10:15 am

Hi guys,

I am working on an assignment and need to hand it in tomorrow.
Could someone be that kind and look through it for grammer or vocab errors?

I uploaded it here, to look at it online:

<http://docdro.id/YkXG9Gi>

Alternatively, here is the text:

Spoiler [\(Click to View\)](#)

Aryzta AG – No buy opportunity

The outcomes of the fundamental analysis are being listed in the following table, compared to the average results and ratios from the food processing industry, in which the company operates in, evaluating Aryzta AG's performance to get a deeper understanding whether an investor should buy or not.

Ratio's Interpretation

Ratio Aryzta 2016 Industry 2016 Aryzta 2017 Industry 2017 Interpretation

P/E 50,02

31,58 Not applicable

(-2,96) 24,81 Aryzta AG's high P/E ratio in 2016 is clearly indicating the share price to be overvalued in regards to the poor performance. In 2017 the massive loss leads to a negative P/E ratio.

EPS 44,00 % 61,05 % -670,00 % 26,19 % Low earnings in 2016 and the extreme loss in 2017 are reflected in a poor EPS ratio, hence lowering the value of the stock.

OPM 5,45 % 5,44 % -21,27 % 13,43 % Aryzta AG can barely manage its cost efficiency, deteriorating from year to year.

NPM 1,80 % 2,65 % -23,87 % 9,17 % Exceeding interest payments of Aryzta AG (long and short term debt) worsen the performance even more, leading to a poor net profit margin.

ROE 2,19 % 6,01 % -41,16 % 21,91 % Aryzta AG cannot satisfy shareholder, even less in 2017 where the negative result leads to a reduced equity base.

RTA 1,01 % 2,44 % -15,89 % 6,22 % Aryzta AG cannot use its assets efficiently to generate satisfying return.

Debt 78,46 % 146,00 % 36,26 % 252,00 % A lower number than the industry average might indicate good performance, however, Aryzta AG is majorly effected by short-term liquidity problems, not reflected in the debt ratio.

DivP 73,00 % 12,07 % -0,05 % 13,67 % The high dividend payout ratio in 2016 is due to extremely low, but still positive earnings by again paying out nearly the same amount of dividends. The massive loss by keeping the same dividend payout leads to a negative ratio in 2017 (to keep shareholder satisfied).

CR 0,86 1,34 0,35 1,16 Aryzta is facing major short term liquidity issues. A ratio < 1 indicates that the company may deal with solvency problems and cannot pay short term obligations.

QR 0,66 0,27 0,26 0,35 Due to the nature of the business, the industry relies on inventory and therefore the average is low. However, due to the

dwindling low difference between CR and QR, Aryzta AG seems not to be in possession of

enough inventory to finance operating business and pay its short term obligations.

From a fundamental point of view, all indicators clearly signalize not to invest into the company. Aryzta AG is facing major liquidity issues caused by massive decline in sales and poor efficiency. Additionally, no satisfying ROE for an investor can be generated. Also, the market clearly indicates the company to be overvalued, with further drops to be expected.

From a technical analysis' point of view, the company is in a clear downwards trend, losing value in its share price and market capitalization from year to year. Even the ISEQ20 outperformed the company, generating better returns.

Looking at the company's prospects, the executive board announced a major turn-around strategy to provide stability and to fight against fundamental issues. Upcoming challenges should be addressed properly with a change in management team. (Annual Report 2017, S3, Letter to shareholder) However, due to significant lacks in the company's core business, its prospects are unclear and highly speculative, advising against an investment into the company.

That would be great!

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Moxxi - February 3, 2018, 10:33 am

loosing should be spelled losing