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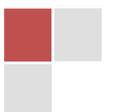


# Analysis of the financial statements of the ceramic industry

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Comparative analysis of the profitability and liquidity in  
the glaze and tiles subsectors

Student: Ruth Más Pérez  
Tutor: Antonio Vico Martínez  
Studies: Finance and Accounting  
Year: 4th



## Abstract

This dissertation consists of a study on the Spanish ceramic sector, a study in which the ceramic industry is analyzed from different perspectives. First of all, the ceramic industry in the global market is examined in order to obtain the position Spain ranks compared to other countries; second, this thesis focuses on the national level and, next, the subsectors that make up this industry are examined: the subsector of glaze and that of ceramic tiles. At this point, the focus of this study changes from observing both subsectors as somewhat complementary to obtaining a competitive vision between both of them, carrying out a comparative study of the composition of their annual accounts, profitability and liquidity in order to discover which is the most beneficial subsector, and, therefore, which is the one that contributes to a greater extent to the favorable position of the Spanish ceramic sector in the global market.

## Index

0. Introduction .....	3
1. Location of Spain in the global ceramics industry.....	5
2. Analysis of the Spanish ceramic sector.....	11
3. Preliminary analysis of the financial statements .....	15
3.1 Preliminary analysis of the balance .....	15
3.2 Preliminary analysis of the income statement.....	23
3.3 Preliminary analysis of the financial statements by subsectors .....	28
4. Profitability analysis .....	33
4.1 Economic profitability .....	33
4.2 Financial profitability .....	36
5. Liquidity analysis .....	40
6. Conclusion.....	44
7. Bibliography .....	46
Annexes .....	47

## 0. Introduction

This dissertation will focus on the study of the Spanish ceramic industry, which is divided into two divisions. On one hand, there is the subsector of ceramic frit, colour and glaze, which can be considered a young subsector, since it has gradually been separating from the ceramic subsector since 1958 approximately. Almost all producers in this subsector are gathered in the business association ANFFECC (Asociación Nacional de Fabricantes de Fritas, Esmaltes y Colores Cerámicos), created in 1977.

On the other hand, we find the tile subsector, ASCER (Asociación Española de Fabricantes de Azulejos y Pavimentos Cerámicos) collects all producers of this subsector; it was created in 1977, and whose oldest preserved records belong to the Gremio de Fabricantes de Azulejos, created in 1927. This consortium currently includes approximately 95 % of the sectoral output.

First, in order to get to the analysis of the differences, in terms of the financial statements, we will carry out a study with a comprehensive approach between both subsectors, which will position the Spanish ceramic industry on the world stage from the perspective of its location compared to other major manufacturing countries; with a detailed data analysis we will be able to observe how Spain occupies a privileged position, as it is the first European producer and second largest exporter in the ceramic sector. Once an international approach is made, we will proceed to the examination of this industry at the national level. In this review we will find out how this production sector, joint together at the international level, is embodied in two different subsectors between which there are large differences in terms of net value of the business turnover.

The objective of this paper will be detailed in the following sections, in which the financial statements of both ceramic subsectors will be analyzed in order to find the reason why there are some differences between them within the same economic situation. For this reason, a preliminary study of the financial statements and a thorough examination of major profitability and liquidity ratios will be carried out. To recreate this study, an examination of the financial statements of two well-positioned companies from each ceramic subsector will be held. The chosen companies from the subsector producer of ceramic frit, glaze and colour have been Torrecid S.A. and Itaca S.A., and from the subsector manufacturer of ceramic floor and wall tiles, they have been Porcelanosa S.A. and Pamesa Ceramics S.L.

Through this study we will be able to capture which of them is the subsector that provides further impetus in order to obtain the advantageous situation of the Spanish ceramics sector internationally.

## 1. Location of Spain in the global ceramics industry

To be able to know the position of the Spanish ceramic sector worldwide we must collect data on the main key variables acting in international trade, which are import and export; and, secondly, we must also know the level of production and consumption in which we currently are. Next, several illustrations which collect data on the ceramic industry will be shown. We will find a set of tables showing the top ten leading countries, both in imports and exports and in consumption and production. Similarly, tables with more specific detail will be displayed in order to provide a more detailed analysis.

We first will consider the production. As we can see in Table 1.1, the Spanish ceramic industry ranks fifth in 2013 in the chart ranking the ceramic producing countries in the world, while it is the first European producer of this material. Its evolution has been sustained since 2009, increasing its annual production by around 9 %.

The first place at European level, as can be noted in Table 1.1, took place during the 2012 and 2013, and that contrasts with what happened in 2009, 2010 and 2011, since at that time Italy was the country which ranked fifth. Thus, these are some very positive data for the Spanish industry, and that this increase is observed in Spain in 2012 and 2013 is also reflected in an increase in Spanish exports, as we can see in Table 1.2.

Table 1.1

TOP MANUFACTURING COUNTRIES							
COUNTRY	2009 (Sq.m Mill.)	2010 (Sq.m Mill.)	2011 (Sq.m Mill.)	2012 (Sq.m Mill.)	2013 (Sq.m Mill.)	% on 2013 world production	% var. 13/12
1. CHINA	3,600	4,200	4,800	5,200	5,700	47.7%	9.6%
2. BRAZIL	715	754	844	866	871	7.3%	0.6%
3. INDIA	490	550	617	691	750	6.3%	8.5%
4. IRAN	350	400	475	500	500	4.2%	0.0%
5. SPAIN	324	366	392	404	420	3.5%	4.0%
6. INDONESIA	278	287	320	360	390	3.3%	8.3%
7. ITALY	368	387	400	367	363	3.0%	-1.1%
8. TURKEY	205	245	260	280	340	2.8%	21.4%
9. VIETNAM	295	375	380	290	300	2.5%	3.4%
10. MEXICO	204	210	219	229	228	1.9%	-0.4%
<b>TOTAL</b>	<b>6,829</b>	<b>7,774</b>	<b>8,707</b>	<b>9,187</b>	<b>9,862</b>	<b>82.8%</b>	<b>7.3%</b>
<b>WORLD TOTAL</b>	<b>8,594</b>	<b>9,634</b>	<b>10,617</b>	<b>11,215</b>	<b>11,938</b>	<b>100.0%</b>	<b>6.4%</b>

Source: Acimac Survey dept. "World Production and consumption of ceramic tiles", 2nd edition 2014

Secondly, with regard to exports, in table 1.2 we can see that both in 2012 and 2013 Spain ranks second at a global level, being the first European exporting country. This

position cannot be found in 2010 and 2011, as Italy is the European leader in both years. This comparison of foreign trade is made taking into account the amount of exported square meters, but if we want to point out the value in euros we should note that the square meter in Italy is worth about twice the square meter price in Spain, being it 7 €/m<sup>2</sup> in Spain and 12.8 €/m<sup>2</sup> in Italy. So that in 2013 Italy would be the second country in terms of value of exports and this would be of 3,870 million euros, against a Spanish value of 2,240 million euros.

The great leadership of China should also be highlighted, since it is the largest producer and exporter of ceramic, covering half of both total world production and exports.

Table 1.2

TOP EXPORTING COUNTRIES									
COUNTRY	2010 (Sq.m Mill.)	2011 (Sq.m Mill.)	2012 (Sq.m Mill.)	2013 (Sq.m Mill.)	% on 2013 national production	% on 2013 world exports	% var 13/12	value 2013 (million €)	average export price (€/sq.m)
1. CHINA	867	1,015	1,086	1,148	20.1%	42.9%	5.7%	5,943	5.2
2. SPAIN	248	263	296	318	75.7%	11.9%	7.4%	2,240	7.0
3. ITALY	289	298	289	303	83.5%	11.3%	4.8%	3,870	12.8
4. IRAN	54	65	93	114	22.8%	4.3%	22.6%	n.a.	n.a.
5. TURKEY	84	87	92	88	25.9%	3.3%	-4.3%	455	5.2
6. MEXICO	57	63	68	80	35.1%	3.0%	17.6%	264	3.3
7. BRAZIL	57	60	59	63	7.2%	2.4%	6.8%	203	3.2
8. UAE	44	48	50	51	54.3%	1.9%	2.0%	n.a.	n.a.
9. INDIA	16	30	33	51	6.8	1.9%	2.0	n.a.	n.a.
10. POLAND	33	36	41	48	36.1%	1.8%	17.1%	220	4.6
TOTAL	1,749	1,965	2,108	2,264	25.3%	84.5%	7.0%		
WORLD TOTAL	2,128	2,346	2,520	2,661	22.5%	100.0%	5.5%		

Source: Acimac Survey dept. "World Production and consumption of ceramic tiles", 2nd edition 2014

After studying the data in the tables above we can conclude that the main competitor of Spain in the ceramic field is Italy. Table 1.3 points out the exporting ability of this country, because, although it had to reduce its production in the last two years we have had under study, its exports as compared to its production have increased; i.e., even though this country has reduced its production in 2013 by 24 million m<sup>2</sup> if we compare it to 2010 its exports have increased by 8 %.

However, the situation in Spain is a bit different: exports have undergone a sustained evolution during the last three years, reaching its peak sales in 2013, of which 76 % are posted abroad.

Table 1.3

	Italy			Spain		
	Manufacturing (Sq.m Mill.)	Exporting	%	Manufacturing(Sq.m Mill.)	Exporting	%
2010	387	289	75%	366	248	68%
2011	400	298	75%	392	263	67%
2012	367	289	79%	404	296	73%
2013	363	303	83%	420	318	76%

Source: Animac Survey dept. "World Production of Ceramic tiles", 2<sup>nd</sup> edition 2014

Next, we will see how Table 1.4 provides a breakdown of the main recipient countries of Spanish exportations. This list only shows the ten countries that received the largest number of exports from Spain in 2013. We should note that France is the main customer for the Spanish ceramic market, followed by Saudi Arabia and Russia; these three countries represent 25 % of foreign sales, being the remaining 75 % of sales distributed between small amounts to various countries across the 5 continents. Geographically, Europe still remains the main market of the Spanish ceramic product, where almost 47 % of exports were destined in 2013.

In terms of sales outside Europe, in 2013 the export to the Middle East accounted for the 22 % of international sales. Meanwhile, America was the recipient of a 10.3 % of those sales, broken down as follows: 6.1 % for North America, 1.8 % in Central America and 2.4 % to South America. Also, Asia received 26 % of the sales outside Europe, Africa the 17 % and Oceania only the 0.6 %. (ASCER, 2013)

Table 1.4

SPANISH EXPORTS			
Main countries	2013 (Million €)	2013 (m2)	%
France	227,9	33	10%
Saudi Arabia	175,8	25	8%
Russia	169,2	24	8%
United Kingdom	105,2	15	5%
Argelia	99,5	14	4%
Libia	94,3	13	4%
USA	92,6	13	4%
Israel	89,8	13	4%
Germany	81,9	12	4%
Italy	59	8	3%
Total exports	2240	price (aprox.)	7 €

Source: Department of Customs and Excise

Third, regarding the consumption of ceramic products, we can see in the table 1.5 that China continues to top the list. It is the first consumer country: in 2013 its production is 5,700 million m<sup>2</sup>; it exports a total of 1,148 million m<sup>2</sup> and consumes 4.556 million m<sup>2</sup>, so that this country does not import products from the ceramic sector. In the list of the main consumers we do not find Spain; in the latest data shown in table 1.6 can be seen that this country has a low level of domestic consumption. Both adding domestic sales and imports, we obtain the total result of consumption, which in 2012 had a value of approximately 634.7 million euros. If we consider that the price per square meter in Spain is about 7 €/m<sup>2</sup>, we find out that the Spanish consumption was about 90 million m<sup>2</sup> in 2012. If this result is compared to the data concerning Turkey, which ranks as the tenth largest consumer of ceramic products and whose consumption figure is 184 million m<sup>2</sup> in 2012, the low ceramic consumption in Spain during 2012 can easily be seen.

Table 1.5

TOP CONSUMPTION COUNTRIES							
COUNTRY	2009 (Sq.m Mill.)	2010 (Sq.m Mill.)	2011 (Sq.m Mill.)	2012 (Sq.m Mill.)	2013 (Sq.m Mill.)	% on 2013 world consumption	% var. 13/12
1. CHINA	3,030	3,500	4,000	4,250	4,556	39.4%	7.2%
2. BRAZIL	644	700	775	803	837	7.2%	4.2%
3. INDIA	494	557	625	681	748	6.5%	9.8%
4. INDONESIA	297	277	312	340	360	3.1%	5.9%
5. IRAN	295	335	395	375	350	3.0%	-6.7%
6. VIETNAM	240	330	360	254	251	2.2%	-1.2%
7. SAUDI ARABIA	166	182	203	230	235	2.0%	2.2%
8. USA	173	186	194	204	234	2.0%	14.7%
9. RUSSIA	139	158	181	213	231	2.0%	8.5%
10. TURKEY	138	155	169	184	226	2.0%	22.8%
TOTAL	5,616	6,380	7,214	7,534	8,028	69.3%	6.5%
WORLD TOTAL	8,581	9,533	10,475	10,967	11,615	100.0%	5.9%

Source: Acimac Survey dept. "World Production and consumption of ceramic tiles", 2nd edition 2014

Table 1.6

Main data of the Spanish ceramic sector								
	Unit	2006	2007	2008	2009	2010	2011	2012(*)
Actual output	Million m2	608,4	584,7	495,2	324,4	366	392	404
	Var (%)	-0,10%	-3,90%	-15,30%	-34,50%	12,80%	7,10%	3,10%
Total sales (value)	Million €	3982	4166	3671	2591	2548	2597	2656
	Var (%)	9,10%	4,60%	-11,90%	-29,40%	-1,70%	1,90%	2,30%
Exports (value)	Million €	2183	2295	2211	1673	1747	1892	2082
	Var (%)	7,00%	5,10%	-3,70%	-24,30%	4,40%	8,30%	10,00%
Imports (value)	Million €	122,5	156,5	120,5	72,8	91,8	80	59,7
	Var (%)	27,80%	27,90%	-23,20%	-39,60%	26,10%	-12,80%	-25,40%
Domestic sales	Million €	1799	1871	1460	918	801	705	575
	Var (%)	11,80%	4,00%	-22,00%	-37,10%	-12,70%	-12,00%	-18,50%

(\*) Provisional data

Source: Ascer

Regarding the evolution of imports in Spain, table 1.6 points out a decline occurred between 2006 and 2012. This decline has been repeated in domestic sales more sharply, reaching the domestic sales in 2006 a value of 1,799 million euros against the reduced figure for 2012 of about 575 million euros. This drop in both variables may have occurred because of the drop of effective production, although from 2009 on it began to increase moderately.

With regard to the amount of ceramic products imported in 2012, provisionally the figure was 8 million m<sup>2</sup>, a very small amount compared to the 53 million m<sup>2</sup> to the tenth importing country in the world, United Arab Emirates (UAE).

Finally, the last thing we will do in this section is to examine imports. If we focus on the table 1.7 we can see that United States of America reached the first position as an importer of ceramic products, which is followed by Saudi Arabia. Thus, both countries are among the major consuming countries from this industry. Note that the main customers of Spanish ceramic products are ranked as major importing countries — these include, among others, France and Saudi Arabia—, and also the main importer country, the United States of America, which is our seventh best customer. Another important aspect is that, as shown in table 1.7, imports in France, Saudi Arabia and Russia have been increasing gradually, except for 2013, year in which Saudi Arabia does not show an increase over the previous year, movement that corresponds to the evolution of Spanish exports.

Focusing on the three main Spain's customer countries and in 2013, we emphasize the situation in France, which, among its total imports (96 million m<sup>2</sup>), 30 % of them arrived from Spain, as shown in table 1.4; i.e., approximately 33 million m<sup>2</sup>, (equivalent to the 10 % of our production) went to France. As for Saudi Arabia, between the total imports (155 million m<sup>2</sup>), about 16 % arrived from Spain. Third, of the 80 million m<sup>2</sup> Russia imported in 2013, about 30 % arrived from Spain.

Table 1.7

TOP IMPORTING COUNTRIES								
COUNTRY	2009 (Sq.m Mill.)	2010 (Sq.m Mill.)	2011 (Sq.m Mill.)	2012 (Sq.m Mill.)	2013 (Sq.m Mill.)	% on 2013 national consumption	% on 2013 world imports	% var. 13/12
1. USA	126	130	137	147	168	71.8%	6.3%	14.3%
2. SAUDI ARABIA	116	117	134	155	155	66.0%	5.8%	0.0%
3. IRAQ	45	66	80	105	121	100.0%	4.5%	15.2%
4. FRANCE	100	104	110	107	96	82.8%	3.6%	-10.3%
5. NIGERIA	83	86	90	89	89	80.8%	3.3%	0.0%
6. GERMANY	31	36	47	61	84	90.3%	3.2%	37.7%
7. RUSSIA	38	51	63	72	80	34.6%	3.0%	11.1%
8. THAILAND	28	37	46	52	68	37.8%	2.6%	30.8%
9. SOUTH KOREA	55	59	63	61	65	61.3%	2.4%	6.6%
10. UAE	25	30	4	41	53	98.1%	2.0%	29.3%
TOTAL	647	716	774	890	979	63.6%	36.8%	10.0%
WORLD TOTAL	1,856	2,128	2,346	2,520	2,61	22.9%	100.0%	5.5%

Source: Acimac Survey dept. "World Production and consumption of ceramic tiles", 2nd edition 2014

## 2. Analysis of the Spanish ceramic sector

In the Spanish ceramic industry there is a subdivision. During the period between 1940 and 1950 the subsector of ceramic frit, glaze and colour progressively separated from the ceramic subsector. The production of glaze started to be manufactured by companies dedicated exclusively to this activity, and not by ceramic companies anymore, as it used to happen until that moment. (Tortajada, Fernandez and Gabaldón 2008)

Next we will proceed to make an analysis of both subsectors by using sales as the object of study. In order to do this we will take a look at table 2.1 —which corresponds to tile manufacturing subsector— and at table 2.2 —which belongs to the subsector manufacturer of glaze. In them both the total sales by those two subsectors and the breakdown between sales for both national and international territory can be seen.

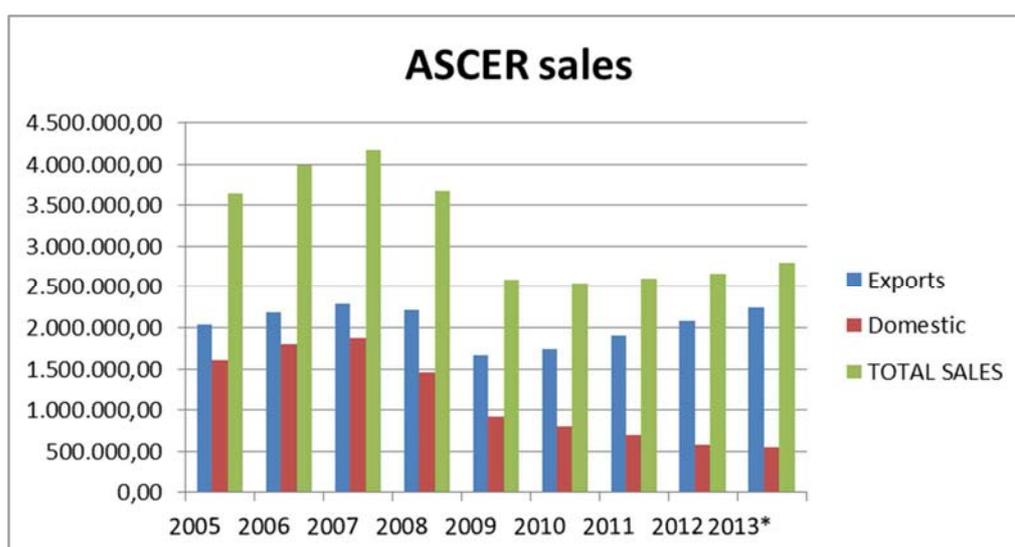
Table 2.1

Year/mil.€	Exports	Domestic	TOTAL SALES		Annual sales growth
2005	2.041.000,00	1.609.000,00	3.650.000,00		
2006	2.183.000,00	1.799.000,00	3.982.000,00	2006	9,096%
2007	2.295.000,00	1.871.000,00	4.166.000,00	2007	4,621%
2008	2.211.000,00	1.460.000,00	3.671.000,00	2008	-11,882%
2009	1.673.000,00	918.000,00	2.591.000,00	2009	-29,420%
2010	1.747.000,00	801.000,00	2.548.000,00	2010	-1,660%
2011	1.897.000,00	700.000,00	2.597.000,00	2011	1,923%
2012	2.082.000,00	575.000,00	2.657.000,00	2012	2,310%
2013*	2.248.000,00	552.000,00	2.800.000,00	2013	5,382%

\*estimated

Source: Ascer

Graph 2.1



In the tiles manufacturing subsector we can note that, if we compare the data from 2013 to the ones from 2005, sales have fallen by 850 million euros, a sharp fall that, as shown in annual sales growth, is due to the severe recession produced in 2008 and 2009, being the decrease compared to 2007 of approximately 37 %. In 2011 we see a gradual recovery; small growth occur, which indicates an improvement of the situation, although it is not enough to offset the sharp drop in sales due to the crisis in the construction sector.

If we carry out an internal analysis of sales breaking them down between those supplied to Spain and those supplied to the rest of countries, graph 2.1 shows that during all the time axis under study there were more exports than domestic sales, although this gap is more pronounced from 2008 on, moment when a significant decline in sales occurs the in Spanish territory. Within our study period, 2007 is the year when domestic sales reach their peak, being their value 1,871 million euros, compared to 552 million euros in 2013.

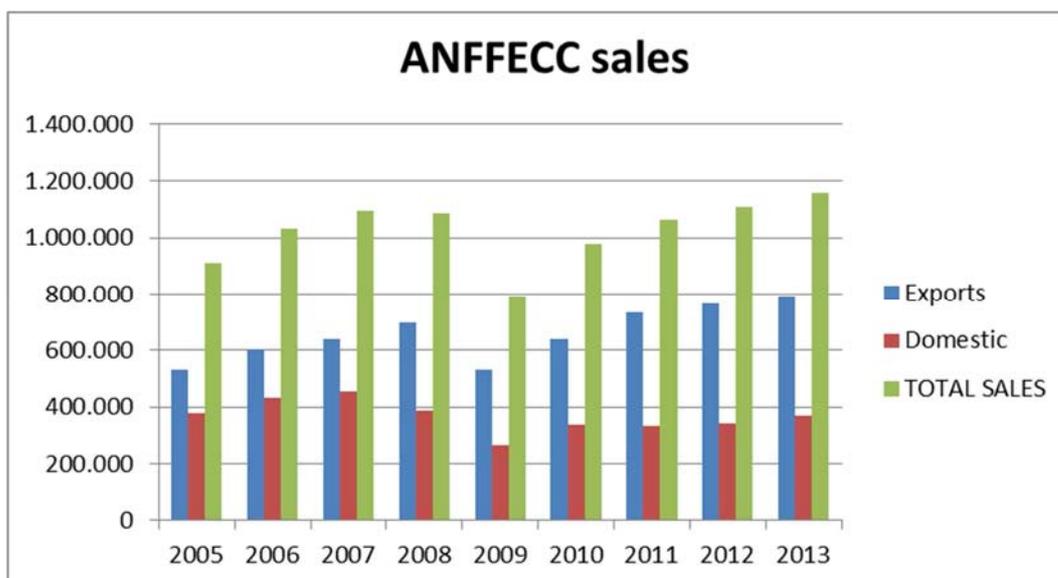
The overall picture we can draw in the period 2005-2013 is that exports have increased by a value of 207 million euros, and sales produced within Spain have fallen by 1,057 million euros.

Table 2.2

Year/mil.€	Exports	Domestic	TOTAL SALES		Annual sales growth
2005	532.378	379.354	911.732		
2006	602.635	430.503	1.033.138	2006	13,316%
2007	641.500	456.047	1.097.547	2007	6,234%
2008	700.275	387.334	1.087.609	2008	-0,905%
2009	529.571	264.457	794.028	2009	-26,993%
2010	640.795	336.190	976.985	2010	23,042%
2011	733.268	332.462	1.065.730	2011	9,084%
2012	768.545	340.814	1.109.359	2012	4,094%
2013	792.103	367.213	1.159.316	2013	4,503%

Source: ANFFEC

Graph 2.2



On the other hand, relating to the data about the subsector of ceramic frit, glaze and colour, which can be seen in table 2.2, we find out that at the end of the period under review there was an increase in sales of € 247,584,000. Although we find a decline is reflected in 2009 with a decrease of 26.9 % over 2008. Because of this decline, sales are sharply increased during the following year, being this rise of 23 percentage points and keeping its evolution in the same direction in the following years, although with a moderate behavior. In the case of the manufacturing industry of glaze, the sharp recession of 2009 is overcome by the rise occurred in the years 2010 and 2011, so that the evolution during the period under review results favorable.

When making a test on the destination of sales, thanks to graph 2.2 we note that the sales consigned to Spain itself are, in each of the years under study, less than those allot for export. The aforementioned gap remains moderately over all the period under review, although from 2008 on sales abroad approximately double those for Spain, behaviour that is maintained until 2013. We stress that this situation is not caused by a decline in domestic sales, but by a strong increase in exports.

The overall picture we can draw in the period 2005-2013 is that exports have increased in a value of € 259,725,000, and sales produced within Spain have fallen by € 12,141,000.

Developing a comparison between the two subsectors, we concluded that, during the period analyzed, the evolution has been inconsistent, resulting in a drop in sales in the

tiles manufacturing industry in the given period and, instead, in the glaze industry, there was some growth. It should be highlighted that the dimension in the variable analyzed from the tile manufacturing subsector doubles the glaze manufacturing industry, reaching its sales in 2013 a value of € 2,800,000,000, against € 1,159,316,000.

Regarding the breakdown between domestic and international sales, speaking in terms of evolution, tables 2.1 and 2.2 show how the overall progress in the period between 2005-2013 on the stretch of exports has been similar, showing both subsectors an increasement of the sales value of approximately € 200 million, although somewhat higher in the glaze industry.

The greatest inequality is found in the stretch of sales to Spain itself. In both subsectors the evolution has been negative, but the recession in the glaze industry can be barely seen, being it only 12 million euros compared to a sharp drop of 1,057 million euros in the tile manufacturing industry, recession which is reflected in a percentage of 291 %.

Finally, during the whole analyzed period, it should be pointed out the good progress in the subsector of ceramic glaze, frit and colour, against the negative development of the subsector manufacturer of ceramic floor and wall tiles.

### 3. Preliminary analysis of the financial statements

#### 3.1 Preliminary analysis of the balance sheet

To conduct a preliminary study of the balance sheet, first we will carry out a static or vertical analysis, which will analyze the composition of assets, shareholders equity and liabilities of the companies, so we will be able to understand the relative importance of each item. Next, we will carry out a dynamic or horizontal analysis. Unlike the previous one, the aim of this study is not to see the relevance of each item in a moment of time, but to observe how the elements that make up the assets of the company progress during a certain period of time; i.e., it tries to measure the variation of each item over time.

For the study we will focus separately on each of the selected companies: Torrecid, Itaca, Pamesa and Porcelanosa. The process will lie in the accomplishment of the vertical analysis of the period under review, 2011-2013, and then the performance of the horizontal analysis. Data under analysis will consist of the average of that period.

The first company analyzed is **Torrecid**. Next we will show the vertical analysis of the balance and then its horizontal analysis.

Starting from the vertical analysis, in the period under review, the assets of the company show an approximate ratio of 52 % of non-current assets, compared to a 48% of current assets.

Meanwhile, in non-current assets, long-term investments in group companies acquire the highest weight, with a value of 29 % over the period under review. Tangible fixed assets are the second item in importance, with an annual average of 21 %.

In the case of current assets the most remarkable item are accounts receivables, with 26 %, followed by short-term financial investments and inventories, resulting the sum of both in a 16 % of assets.

NCA (52%)	TFA (21%)
	LTI. G C (29%)
	OTHER NCA (2%)
CA (48%)	INVENTORIES (8%)
	ACCOUNTS RECEIVABLE (26%)
	STI (8%)
	OTHER CA (6%)

As for the net worth and liabilities, the structure adopted by Torrecid consists of an equity of 66 %, non-current liabilities of 12 % and current liabilities of 22 %. In net equity the most outstanding item during the period under study are retained earnings with a fraction of 55 %, being profit or loss the second most important item, with a weight of 9 %.

In non-current liabilities, long-term debts are starting to stand out with an 11.5 % of non-current liabilities and, regarding to current liabilities, the item for commercial creditors and other accounts payable out with a 16 %, together with the short-term debts, which are a 6 %.

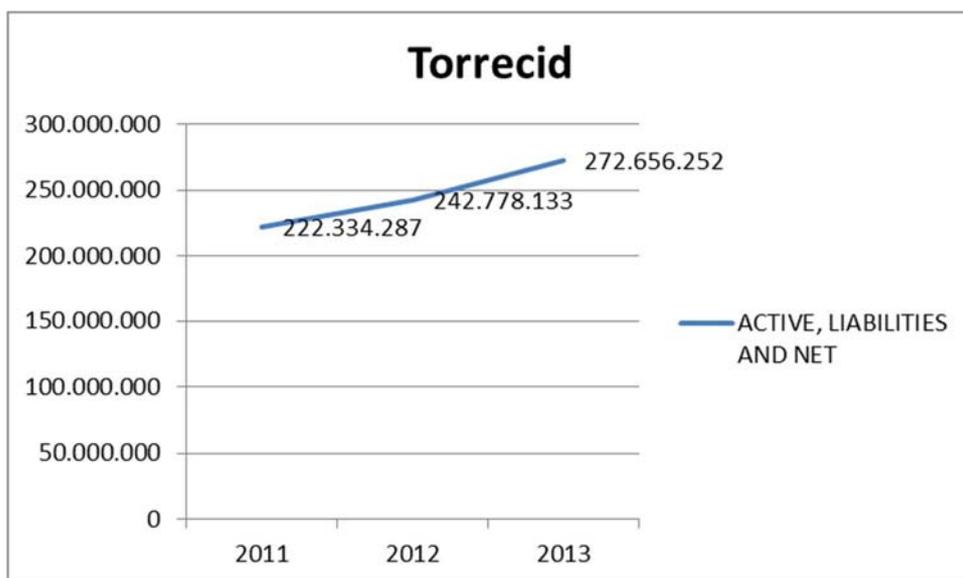
NET (66%)	RE (55%)
	PL (9%)
	OTHER NET (2%)
NCL(12%)	LTD (11,5%)
	OTHER NCL (1%)
CL (22%)	CREDITORS (16%)
	OTHER CL (6%)

Finally, another important variable to study is financial leverage. Torrecid average of 2012 and 2013 shows a debt of 5.32 %; i.e., it has a positive effect which means that economic profitability is higher than the cost of debt, which causes an increase in financial returns, therefore financing with debt becomes something beneficial to the company.

Next we will carry out the horizontal analysis of Torrecid's balance sheet.

The value of the assets of the company from 2011 to 2013 has grown by 22 %. This increase is mainly due to current assets. The item that has experienced a greater growth is cash.

As for the net worth and liabilities, the increase of 2.2% is provided by a similar growth in both net worth and current liabilities. The increase in net worth is due to the growth of the profit. The increase in current liabilities is due to the increase in trade creditors and other payables.



The vertical and horizontal analysis of **Itaca's** balance sheet is as follows:

Starting with the vertical analysis, the assets of the company show a composition of approximately 36 % of non-current assets versus 64 % of current assets. In non-current assets the most important item is the tangible fixed assets, being its magnitude of 31 %.

In the case of current assets both the accounts receivable and inventories stand out, with values of 38 % and 20 % respectively.

NCA (36%)	IFA(4%)
	TFA (31%)
	OTHER NCA (1%)
CA (64%)	INVENTORIES (20%)
	ACCOUNT RECEIVABLE (38%)
	OTHER CA (6%)

As for net worth and liabilities, the fraction established is 43% for net worth, 15 % for non-current liabilities and 42 % for current liabilities. In net worth the most important items are the share premium, retained earnings and profit or loss for the year with a value of 16 %, 12 % and 15 % respectively.

In the case of non-current liabilities it should be pointed out long-term debts to group companies, with a share of 13 %. And regarding current liabilities, suppliers and short-term debts should be highlighted, with values of 23 % and 13 % respectively.

NET (43%)	SP (16%)
	RE (12%)
	PL (15%)
NCL (15%)	LTD. G C (13%)
	OTHER NCL (2%)
CL (42%)	SUPPLIERS(23%)
	STD (13%)
	OTHER CL (6%)

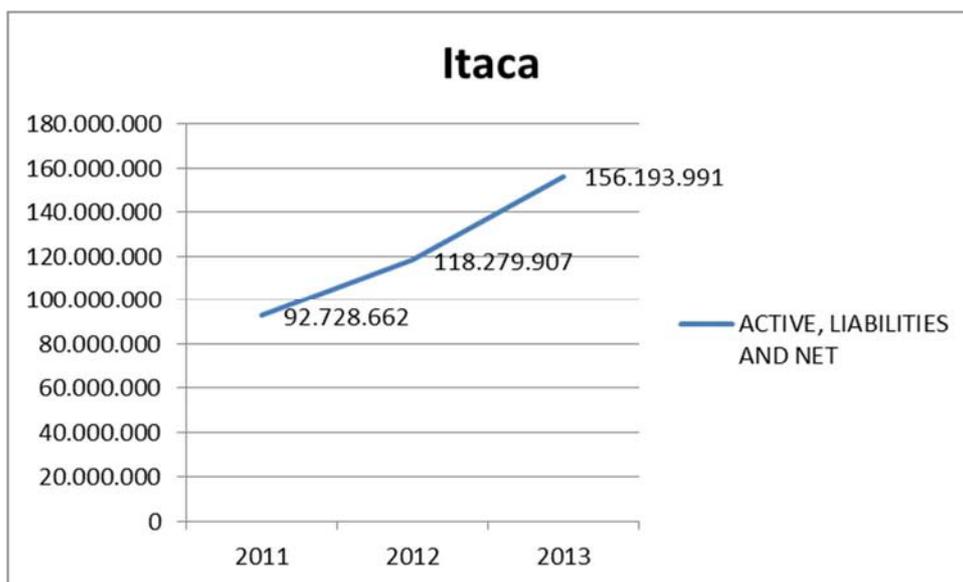
Finally, with respect to financial leverage, Itaca shows an average in 2012 and 2013 of 25 %, i.e., it has a positive effect, which means that the profitability is higher than the cost of debt, which causes an increase in financial returns and, therefore, financing with debt becomes something beneficial to the company

Next we will carry out the horizontal analysis of Itaca's balance sheet.

The value of the assets of the company for 2011 to 2013 has decreased by 11 %. This drop is due mainly to the reduction of non-current assets, caused by the decline in fixed asset items.

Regarding net worth and liabilities, the drop of 11 % is due to a greater extent to non-

current liabilities, because of the existence of lower debts with group companies and long-term provisions.



The vertical and horizontal analysis of of **Porcelanosa's** balance sheet is as follows:

Starting with the vertical analysis, in the three years analyzed —2011, 2012 and 2013— the assets of the company show an approximate ratio of 78 % of non-current assets, against a 22 % of current assets.

Within the non-current assets, the most significant item is investments in group companies and associates, followed by tangible fixed assets. Both of them represent approximately 75 % during the period under review.

In the case of current assets the two most significant items are inventories and customer receivables; both account for approximately 20 % of the balance of each of the years analyzed.

NCA (78%)	TFA (31%)
	LTI. G C (44%)
	OTHER NCA 3%
CA (22%)	INVENTORIES (10%)
	A. RECEIVABLE (10%)
	OTHER CA (2%)

As for shareholders equity and liabilities, the division established in Porcelanosa is 73 % on net equity, 19 % on non-current liabilities and 8 % on current liabilities. In net worth, the most important item is retained earnings, with a weight of 78 % over the period, which is shown offset by the negative outcome of common stocks in its own assets.

In non-current liabilities long-term debts are the most important item, namely other financial liabilities with 18 % and, compared to current liabilities, the item for trade payables and other payables highlights with a 6.5 %.

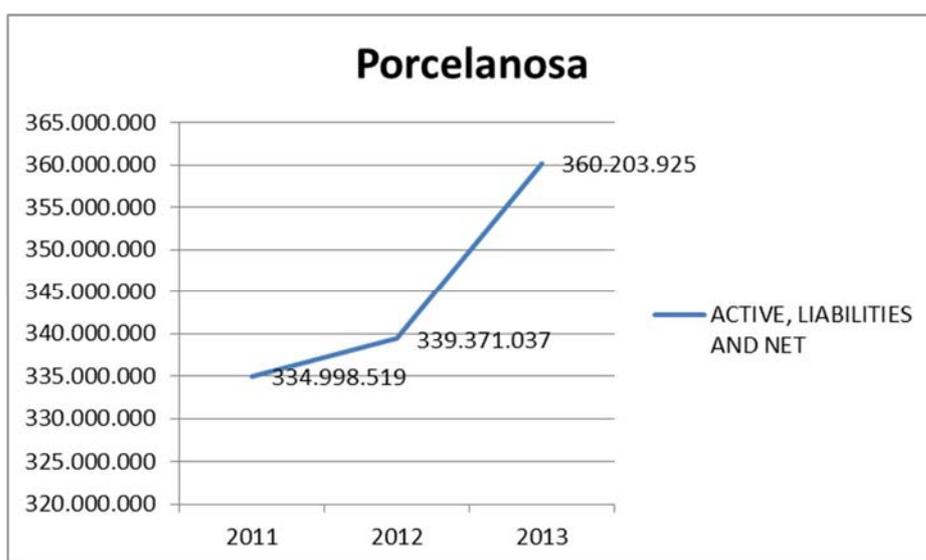
NET (73%)	RE (78%)
	COMMON STOCKS (-12%)
	OTHER NET (7%)
NCL (19%)	OFL (18%)
	OTHER NCL (1%)
CL (8%)	CREDITORS (6,5%)
	OTHER CL (1,5%)

Finally, regarding financial leverage, we should point out that the average of Porcelanosa for 2012 and 2013 shows a debt of 0.91 %. This value shows that financial costs of debt are lower than the performance achieved by its use. Thereby it also generates an increase in financial returns, so that financing with debt becomes something beneficial to the company. It should be pointed out that financial leverage is positive but limited; i.e., the result obtained from the asset is greater than the cost, but not in a large amount.

Next we will carry out the horizontal analysis of Porcelanosa's balance sheet.

The value of the assets of this company from 2011 to 2013 has grown by 7.5 %. This growth is caused in the greater extent by the increase of current assets. The fastest growing items were cash and short-term investments. Decreases in both intangible fixed assets and long-term financial investments should also be pointed out.

As for net worth and liabilities the rise of 7.5 % is due mostly to the increase in current liabilities. The main cause of the increase in net worth is the result of profit and loss of the period. The increase in current liabilities is caused by an increase in trade creditors and other payables.



The vertical and horizontal analysis of **Pamesa's** balance sheet is as follows:

Starting with the vertical analysis throughout the period, it should be noted an approximate 40 % relation of non-current assets against a 60 % of current assets.

Meanwhile, in non-current assets the greater weight corresponds to tangible fixed assets, with a value of between 30 % and 36 % over the period, followed by the long-term financial investments in loans to a third party with 4.58 % during the last year, which became a 14 % in the first year of the series under study.

In the case of current assets, the two most significant items are inventories and receivables to customers. Between both of them they reach each year approximately the 47 % of the balance.

NCA (40%)	TFA (32%)
	LTI (7%)
	OTHER NCA (1%)
CA (60%)	INVENTORIES (21%)
	A. RECEIVABLE (26%)
	STI (10%)
	OTHER CA (3%)

As for shareholders equity and liabilities, the fraction established for each part of it in Pamesa is 28 % for net equity, 13 % for non-current liabilities and 59 % for current liabilities. In net equity the most important items are the share premium and retained earnings, which reach approximately 26 %.

In the case of non-current liabilities, the most important item is long-term debt, at a fraction of 10 %. And, in the case of current liabilities, short-term debt represents 36 %, followed by the item for providers, which supposes a 20%.

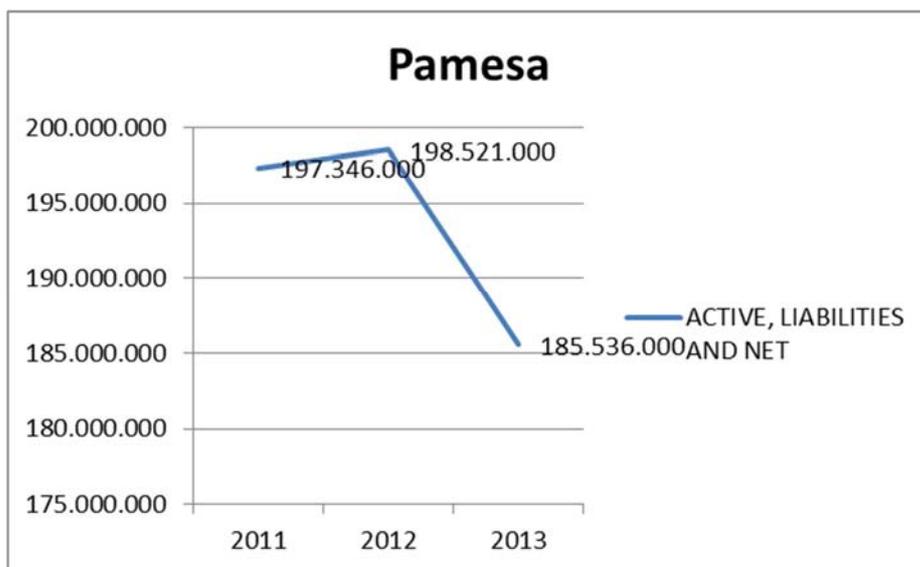
NET (28%)	SH (14%)
	RE (12%)
	OTHER NET (2%)
NCL (13%)	LTD (10%)
	OTHER NCL (3%)
CL (59%)	STD (36%)
	PROVIDERS (20%)
	OTHER CL (4%)

Finally, with respect to financial leverage, Pamesa shows an average in 2012 and 2013 of 2.34 %. This means that it has a positive effect, which in turn also means that the economic profitability is higher than the cost of debt, causing an increase in financial profitability, thus financing with debt becomes something beneficial to the company.

Next we will carry out the horizontal analysis of Pamesa's balance.

The value of the assets of the company from 2011 to 2013 has decreased by 6 %. This downturn is due mainly to a drop in non-current assets, specifically the items for long-term financial investments and intangible fixed assets.

As for shareholders equity and liabilities its 6 % reduction is caused by a decrease in current liabilities, particularly by the lower weight of short-term debt with group and associated and short-term debt.



### 3.2 Preliminary analysis of the income statement

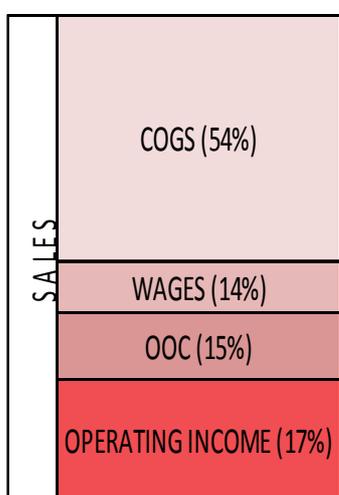
To conduct a preliminary analysis of the income statement, first we will carry out a vertical analysis of it in order to know the relative importance of each item in relation to the variable on sales. Secondly, we will proceed to make the horizontal analysis to observe the evolution of revenues and expenses.

For this study we will focus separately on each of the selected companies: Torrecid, Itaca, Pamesa and Porcelanosa. The process will consist of the performance of the vertical analysis of the three years under review —2011, 2012 and 2013—, and then of the horizontal analysis of this very same period. The data analyzed will consist of the average of that period.

The first company analyzed is **Torrecid**. Next we will show the vertical analysis and then the horizontal one.

Torrecid earned over this period average sales of 138 million euros. Regarding this amount, the most important items of operating income were, first, cost of good sold, which meant 54 % of the sales, followed by other operating costs (15 %) and wages cost (14 %).

As a result, the average of the operating income for the period was 17 % of net sales, reaching absolute values of 36 million, 27 and 13 in 2013, 2012 and 2011 respectively.



The financial result was positive during the period under review, with an average of 1.7 million euros.

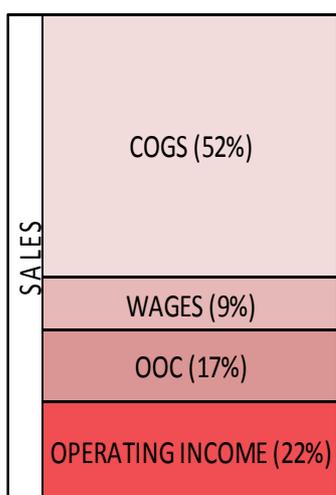
Finally, according to the financial statements, the results for the period were 30 million, 23 and 15 in 2013, 2012 and 2011 respectively.

Concerning the horizontal analysis, we will point out that from 2011 to 2013 operating income grew by 163 %. This increase was caused mainly by a growth of net sales (44 %). Financial gain has improved with an increase of 472 % due to a reduction of the impairment in financial investments. Finally, the result of the profit and loss for the period has increased by 100 %: from 15 million euros in 2011 to 30 million in 2013.

The vertical and horizontal analysis of the income statement of **Itaca** are as follows:

During the period under review a medium business figure of 284 million euros was obtained. On this quantity the most significant items of operating income were cost of goods sold —representing approximately 52 % of the turnover—, other operating expenses (17 %) and wages costs (9 %).

As a result, the average operating income for the period was 22 % of net sales, reaching absolute values of 42 million, 26 and 17 in 2013, 2012 and 2011 respectively.



The financial result remained negative during the period under review, and it came to absorb 10 % of the operating income in 2011, being it a 5 % both in 2012 and 2013.

These losses were caused to the greatest extent by interest expenses and the impairment of financial investments.

Finally, according to the financial statements, the results for this period reached values of 27 million in 2011, of 17 million in 2012, and a profit of 10 million euros in 2013.

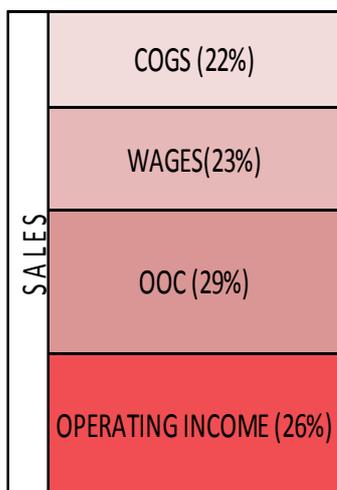
From the horizontal analysis between 2011 and 2013 we obtain that the operating result improved by 139 % due to growth of net sales (72 %) and to a reduction of expenses.

As for the financial loss, it has been increased mainly by higher financial expenses.

Finally, the profit and loss for the period have improved by 154 %, being in 2011 of 10 million euros, and of 27 million euros in 2013.

The vertical and horizontal analysis of the income statement of **Porcelanosa** are as follows:

The company obtained average sales of 142 million euros over the period under study. Regarding this quantity, the most significant items of operating results were cost of goods sold, which represented approximately 22 % of sales, wages costs, with 23 %, and other operating expenses with 26 %. As a consequence, the operating result was, on average, 26 % of net sales, reaching absolute values of 43 million, 38 and 29 in the years 2013, 2012, 2011 respectively.



Throughout the three years under review Porcelanosa obtained some significant negative financial results that came to absorb 66 % of operating income in 2011, being them of 58 % in 2012 and falling to 38 % in 2013.

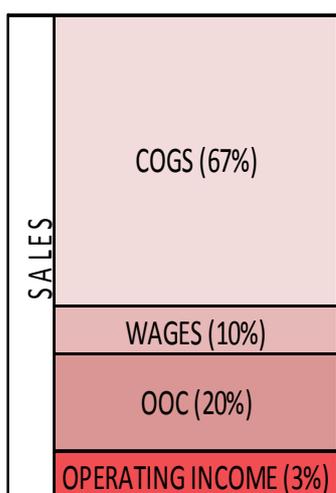
These losses were brought about primarily due to the impairment of financial investments and secondly by financial expenses.

Finally, according to the financial statements, the results of the period reached values of 16, 11 and 8 million euros in 2011, 2012 and 2013 respectively.

The horizontal analysis carried out between 2011 and 2013 shows that the operating income grew by 47 %. This increase was caused mainly by the allocation of subsidies for non-financial assets. The financial result remained negative, although it improved by 14% due to lower financial expenses and to the result on disposal of financial instruments. Finally, the result for the period under study increased by 109 %: rising from 7.5 million euros in 2011 to 15, 7 million euros in 2013.

The vertical and horizontal analysis of the income statement of **Pamesa** are as follows:

During the analyzed period there was an average of 188 million euros in turnover. On this level the most important items in the operating income were the cost of goods sold, which represented a 67 % of the turnover, followed by other operating costs (20 %) and wages costs (10 %). From these data we deduce that the average operating profit for the period under review was 3 % of net sales, reaching, in absolute values, 6 million in 2013, 7 in 2012 and also 7 in 2011.



The financial result remained negative during the period under study, and it came to consume 86 % of operating income in 2012, being this of 67 % in 2011 and of 20 % in 2013.

These losses were caused in part by higher interest expenses and an impairment of financial investments.

Finally, according to the financial statements, the results of the period were 4.1 and 1 million in 2013, 2012 and 2011 respectively.

From the horizontal analysis between 2011 and 2013 we obtain that that the operating income fell down by 13 %. This recession was caused mainly by changes in inventories. The financial result remained negative, although it improved by 74% due to lower financial expenses and to the result on disposal of financial instruments. Finally, the result for the period under study increased by 171 %: rising from 1.7 million euros in 2011 to 4.6 million euros in 2013.

### 3.3 Preliminary analysis of the financial statements by subsectors

Next, behaviours adopted by each subsector will be displayed, and in order to do that we have taken as samples companies Torrecid and Itaca to detail the data regarding the subsector of glaze and companies Porcelanosa and Pamesa to detail the data regarding the ceramic tiles manufacturing subsector. The analyzed data reflect the average of the period 2011-2013.

The characteristics of the subsector of glaze are broken down into the following ones: The active shows a ratio of 44 % of non-current assets, compared to a 56 % of current assets. Meanwhile, in non-current assets items of tangible fixed assets and investments in group companies acquired a greater magnitude, being the correspondence between both of them 26 % and 14.5 % respectively.

In the case of current assets receivables from customers gain more weight, with 32 % of total assets, followed by inventories with a value of 14%.

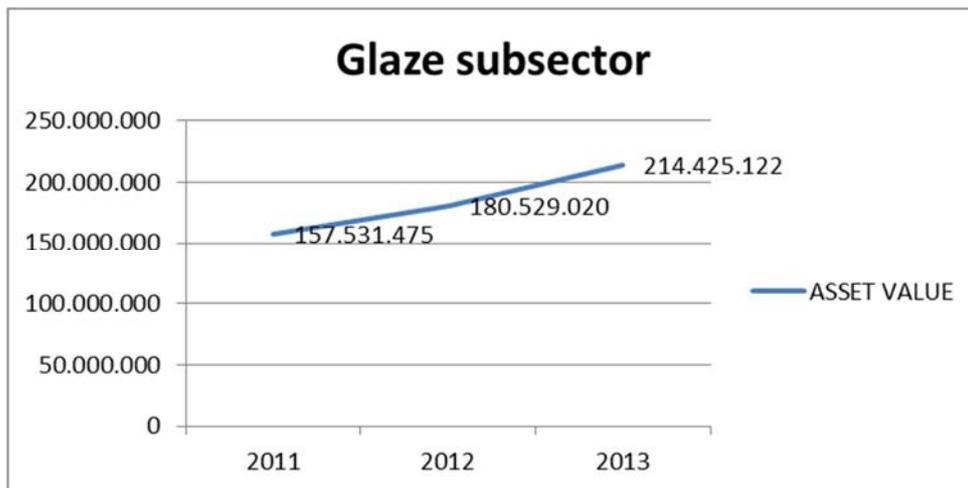
NCA (44%)	IFA (2%)
	TFA (26%)
	LTI G C (14,5%)
	OTHER NCA (1,5%)
CA (56%)	INVENTORIES (14%)
	A. RECEIVABLE(32%)
	STI (4%)
	OTHER CA (6%)

In terms of shareholders equity and liabilities of the glazes subsector, the adopted structure is characterized by a measure of 54.5 % of net equity, 13.5 % of non-current liabilities and 32 % of current liabilities. In net worth, the most outstanding item during the period is the retained earnings, with a fraction of 33.5 %.

Regarding non-current liabilities, the item with the highest proportion are long-term debts, with a value of 7.5 %. Concerning current liabilities, trade payables and other payables are the most highlighted items.

NET (54,5%)	SP(8%)
	RE (33,5%)
	PL (12%)
	OTHER NET (1%)
NCL (13,5%)	LTD (7,5%)
	LTD G C (5,5%)
	OTHER NCL (0,5%)
CL (32%)	STD (6,5%)
	CREDITORS (19,5%)
	OTHER CL (6%)

Regarding the evolution of the subsector of glaze, between 2011 and 2013 the sector shows an increase in the value of its balance sheet of 36 %, being the value of its assets in 2011 of 157 million euros, and, two years later, of 214 million of euros.



The companies analyzed from the subsector of tiles show a structure characterized by an active formed by 59 % of non-current assets and 41% of current assets. Meanwhile, in non-current assets the most relevant items are tangible fixed assets and investments in group companies, with a magnitude of 31.5 % and 22 % respectively.

In the case of current assets, the receivables from customers should be highlighted, as they show a value of 18 %, and, secondly, the inventories are also important, with a 15 %.

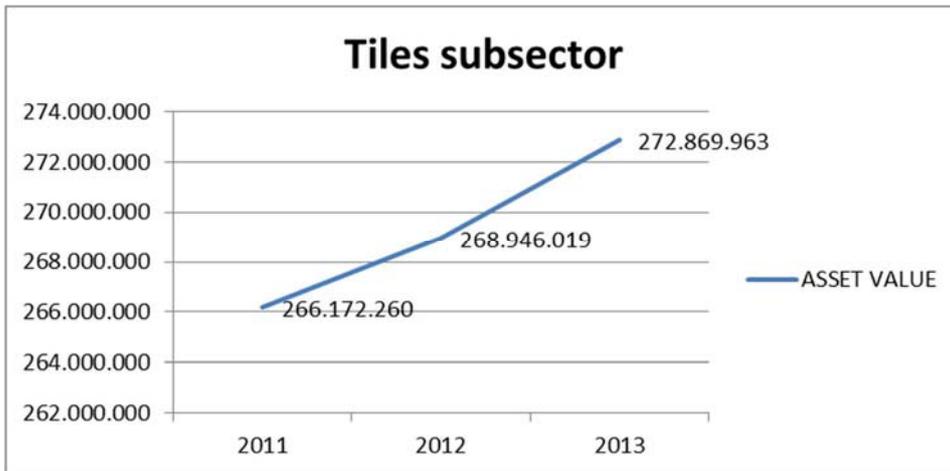
NCA (59%)	TFA (31,5%)
	LTI (3,5%)
	LTI G C (22%)
	OTHER NCA (2%)
CA (41%)	INVENTORIES (15%)
	A. RECEIVABLE (18%)
	STI (5%)
	OTHER CA (2,5%)

In terms of shareholders equity and liabilities, the structure adopted by the glazes subsector is a net equity of 50.5 %, non-current liabilities of 16 %, and current liabilities of 33.5 %. Meanwhile, in net equity the most valuable item is the retained earnings, with 40 %.

Regarding non-current liabilities, other financial liabilities are more important, with 9 %, and in current liabilities, the trade payables item and other payables acquire a greater magnitude, being this a 13.5 %.

NET (50,5%)	SP (7%)
	RE (40%)
	OTHER NET (3,5%)
NCL (16%)	LTD (5%)
	OFL (9%)
	OTHER NCL (2%)
CL (33,5%)	STD (18%)
	CREDITORS (13,5%)
	OTHER CL (2%)

Regarding the evolution of the tile subsector between 2011 and 2013, we noted that it grew a 2.52 %, being the value of its assets in 2011 of 266 million euros in 2013, reaching a value of 272 million euros.



When making a comparison between both subsectors, we find that a discrepancy exist in terms of asset, being the current assets higher than non-current assets in the subsector of glaze, and conversely in the tiles subsector. Regarding net worth and liabilities, both subsectors show a similar structure, being it composed of a net worth higher than the liabilities, and, within liabilities, current liabilities higher than non-current liabilities.

Regarding the evolution during the years 2011-2013, it is remarkable that it is positive in both subsectors, although the progress of the subsector of glaze is higher, experiencing a growth of 36%, against a 2% growth of the subsector of tiles.

In order to carry out the study of the behaviour of the subsector of glaze and the subsector of tiles in the income statement, we have worked out the average income and the expenditure of the companies under analysis. After calculation, we can see both in tables 3.1 and 3.2 a better result in the glaze industry. Revenues in this subsector have increased steadily as well as expenses, although these ones at a lesser extent. In the subsector of tiles, the increase in income and expenditure has also been progressive, having increased the earnings of the period gradually.

Making a comparison of both subsectors, in terms of profit or loss, proper evolution of both subsectors is captured; its result has increased, although the profit in the glaze industry is higher than that obtained in the tiles industry. Also, the following tables show the magnitude of both subsectors, being the subsector of tiles an industry with numbers doubling the figures for the subsector of glaze.

Tabla 3.1

Glaze subsector	2013	2012	2011
Total revenue	87.815.112	77.069.850	64.371.752
Total expenses	72.461.004	65.509.236	56.675.088
Outcome	15.354.109	11.560.615	7.696.664

Tabla 3.2

Tiles subsector	2013	2012	2011
Total revenue	195.073.197	169.650.646	152.797.208
Total expenses	184.892.883	163.254.612	148.180.980
Outcome	10.180.314	6.396.034	4.616.229

## 4. Profitability analysis

This section will focus on the analysis of the profitability of the company, both thinking in terms of economic profitability and financial profitability. First, we will carry out a study on the economic returns; the basis of this study will consist of the individual analysis of Torrecid, Itaca, Pamesa and Porcelanosa, and next we will proceed to examine both the glazes subsector and the tiles subsector. Secondly, we will carry out the study of the financial profitability, following the same structure used in the analysis of economic profitability. Both studies will focus on the period between 2011 and 2013.

When analyzing each variable we will first study the companies in the glaze subsector, and next we will discuss the glazes subsector as a whole. Next, we will follow the same procedure when analyzing the data from the tiles subsector.

### 4.1 Economic profitability

Starting with the economic profitability (ROA, return on assets), it should be pointed out that it is the ability to manage the assets available to the company in terms of profitability generated, although the way in which the assets were financed does not have an influence in this procedure. This kind of profitability remunerates both lenders and shareholders.

The economic profitability has two essential components: economic margin and asset turnover. The margin is the profit per sales unit, defined as the percentage of profit before interest and taxes on net sales; and asset turnover is the number of times the asset has been sold and replaced; i.e., the sales level for a given investment. ROA is defined as follows:

$$\text{ROA} = \text{NET PROFIT MARGIN} * \text{ASSET TURNOVER RATIO}$$

The first company under study is **Torrecid**. In table 4.1.1 we can see that the ROA has increased annually, and that its growth rate in the period 2011-2012 was of 68 %. This increase was due, to a greater extent, to the evolution of the margin, which was a 35 % against a 24 % of the turnover.

We can say that Torrecid is in a good situation with regard to its economic profitability, since it is high and has shown an increase over the period analyzed. As for the ratio values, the greater the return on assets of the company, the better off will Torrecid be.

Table 4.1.1

	2013	2012	2011	Average of the period	growth
Margin	19,58%	17,19%	14,42%	17,06%	35,78%
Assets turnover	0,63	0,60	0,50	0,58	24,29%
ROA	12,24%	10,28%	7,25%	9,92%	68,76%

The second company under analysis is **Itaca**. In table 4.1.2 we can see as the ROA obtained in the analyzed period a growth rate of 68 %, caused to a greater extent by the increase of the margin —which amounts to 45 %—, while the rotation progress has been 16 %.

Itaca has a high level of economic profitability, and its evolution is ascending, so that the company is in a privileged position regarding economic profitability.

Table 4.1.2

	2013	2012	2011	Average of the period	growth
Margin	16,04%	14,09%	11,06%	13,73%	44,96%
Assets turnover	1,30	1,26	1,12	1,22	16,28%
ROA	20,81%	17,73%	12,35%	16,96%	68,56%

Next, we will see the situation of the economic profitability of the subsector of glaze by using data extracted from the previously evaluated companies. Torrecid and Itaca show similar data on the variable analyzed, therefore the data we obtain when studying this sector as a whole resemble those seen when we reviewed each of the companies individually. Table 4.1.3 reflects the advantageous levels of economic profitability, together with its positive evolution. It should only be highlighted the positive situation of the subsector of glaze.

Table 4.1.3

	2013	2012	2011	Average of the period	growth
Margin	17,81%	15,64%	12,74%	15,40%	39,77%
Assets turnover	96,15%	92,81%	80,96%	89,97%	18,77%
ROA	16,53%	14,00%	9,80%	13,44%	68,64%

The next company to consider is **Porcelanosa**. As shown in table 4.1.4, the evolution of its economic profitability has been very positive, growing by a 76 %, being the main motivating factor the economic margin, together with a rise in the turnover of 11 %. We can say that Porcelanosa has an adequate economic situation.

Table 4.1.4

	2013	2012	2011	Average of the period	growth
Margin	11,46%	9,27%	7,23%	9,32%	58,49%
Assets turnover	0,43	0,43	0,39	0,42	11,07%
ROA	4,95%	3,98%	2,81%	3,91%	76,04%

The latest company to be studied is **Pamesa**. Focusing on the ROA variable, we will observe in table 4.1.5 a growth during the period under review, but when analyzing the reason for this evolution we see that there are two inverse factors: a positive evolution of the rotation against a negative trend margin, which results in a decrease in earnings per sales unit. It means that in 2011 benefit obtained per unit sold was greater than the benefit obtained per unit sold in 2013. Finally, the effect that rotation had on the economic profitability has prevailed over the effect of the margin.

Table 4.1.5

	2013	2012	2011	Average of the period	growth
Margin	3,31%	2,78%	3,90%	3,33%	-15,13%
Assets turnover	1,14	0,93	0,83	0,97	38,08%
ROA	3,77%	2,58%	3,22%	3,19%	17,19%

Next, we will see the situation of economic profitability in the subsector of tiles. Table 4.1.6 shows that there is an increase in economic profitability, led to a greater extent by the increase in the margin —which amounts to 32 %—, ranking rotation in the second place, with an increase of 29 %. Noting the situation in the subsector of glaze we can say that it has a good approach to economic profitability.

Table 4.1.6

	2013	2012	2011	Average of the period	growth
Margin	7,38%	6,03%	5,56%	6,32%	32,72%
Assets turnover	0,79	0,68	0,61	0,69	29,44%
ROA	4,36%	3,28%	3,02%	3,55%	44,62%

We have studied each subsector separately, but if we make a balance of both of them we can see that the subsector of glaze not only shows a more favorable evolution of economic profitability, but also its annual data are higher than the data belonging to the subsector of tiles, tripling its ratio. In both subsectors there is a similar positive trend in the ROA, motivated mostly by an increase in the financial margin. With this result it can be interpreted that in the ceramic sector the increase of profitability is due, to a greatest extent, to the benefit obtained per unit sold rather than to the sales revenue generated per currency unit invested in assets.

## 4.2 Financial profitability

The financial profitability (ROE, return on equity) refers to the profitability that remains exclusively to the shareholders. The way of financing has an influence in it. We define ROE as follows:

$$\text{ROE} = \text{ROA} + \text{LIABILITIES}/\text{NET (ROA-I)}$$

The first company to be analyzed is **Torreced**. In table 4.2.1 we can note as the ROE has increased from 2011 to 2013, with a growth rate of 66 %. As shown in Table 4.2.2 the rise is due to an increase in the ROA, as the cost of debt has been reduced and the financial leverage was negative. This means that the remaining variables have an inverse effect on the evolution of the ROE, so that in the case of Torreced financial performance has advanced well due to the increase of economic profitability.

Table 4.2.1

	2013	2012	2011	Average of the period	growth
ROA	12,24%	10,28%	7,25%	9,92%	68,76%
ROE	17,89%	15,27%	10,74%	14,63%	66,62%

Table 4.2.2

	ROE	ROA	L/N	I
2013	17,89%	12,24%	0,501	0,97%
2012	15,27%	10,28%	0,536	0,97%
2011	10,74%	7,25%	0,551	0,93%

The second company under analysis is **Itaca**. Table 4.2.3 shows that the ROE has doubled from 2011 to 2013. This growth of its financial profitability, as shown in table 4.2.4, is due to the conjugated effect of an increase in the ROA, together with increase of the financial leverage and a reduction of the cost of debt, therefore all the variables that affect the ROE have contributed to its increase.

Table 4.2.3

	2013	2012	2011	Average of the period	growth
ROA	20,81%	17,73%	12,35%	16,96%	68,56%
ROE	49,43%	39,86%	22,43%	37,24%	120,37%

Table 4.2.4

	ROE	ROA	L/N	I
2013	49,43%	20,81%	1,503	1,78%
2012	39,86%	17,73%	1,379	1,68%
2011	22,43%	12,35%	0,956	1,80%

Next we will proceed to see the focus of financial profitability in the subsector of glaze. The ROE in 2013 has managed to reach a 33.66 %, doubling the figure reached in 2011. The increase is due to an increase in the ROA of 68 %, and an increase in the financial leverage of 25 %. The financial leverage is positive, which indicates that the profitability is higher than the cost of debt, so it is beneficial for this industry to finance itself with debt. We should emphasize as well the privileged position of the subsector of glaze in terms of financial profitability. (See tables 4.2.5 and 4.2.6)

Table 4.2.5

	2013	2012	2011	Average of the period	growth
ROA	16,53%	14,00%	9,80%	13,44%	68,64%
ROE	33,66%	27,56%	16,58%	25,93%	102,97%

Table 4.2.6

	ROE	ROA	L/N	I
2013	33,65%	16,52%	1	1,37%
2012	27,56%	14,00%	0,96	1,32%
2011	16,58%	9,79%	0,75	1,36%

We will continue with the analysis of the companies in the subsector of tiles. The following company under study is **Porcelanosa**. Table 4.2.7 shows a positive evolution, as the figure ratio doubles, reaching 6.15 % of financial profitability in 2013. The growth of the ROE is due solely to an increase in the ROA, as the evolution of other variables —financial leverage and debt costs— have been detrimental to the increase of financial profitability, having increased the cost of debt and having reduced the financial leverage.

Table 4.2.7

	2013	2012	2011	Average of the period	growth
ROA	4,95%	3,98%	2,81%	3,91%	76,04%
ROE	6,15%	4,60%	3,11%	4,62%	97,79%

Table 4.2.8

	ROE	ROA	L/N	I
2013	6,15%	4,95%	0,366	1,67%
2012	4,60%	3,98%	0,366	2,27%
2011	3,11%	2,81%	0,383	2,03%

**Pamesa** shows an opposite trajectory of the financial profitability, since its evolution from 2011 to 2012 was negative, increasing by 200 % from 2012 to 2013. Eventually, the accumulated growth during the whole period under study was of 143 %, brought on largely by the reducing the cost of debt. As shown in table 4.2.10, this has fallen from 3.18 % to 1.94 %. Financial leverage has declined, which in turn is prejudicial to the increase in the ROE. And, finally, the ROA has increased, but this increase had a lower effect than the reduction in the cost of debt on the growth of the ROE.

Table 4.2.9

	2013	2012	2011	Average of the period	growth
ROA	3,77%	2,58%	3,22%	3,19%	17,19%
ROE	8,19%	2,83%	3,34%	4,79%	145,43%

Table 4.2.10

	ROE	ROA	L/N	I
2013	8,19%	3,77%	2,408	1,94%
2012	2,83%	2,58%	2,929	2,49%
2011	3,34%	3,22%	2,876	3,18%

Regarding financial profitability of the subsector of tiles, table 4.2.11 shows a remarkable increase of 122 % of its ROE in 2013, reaching it a value of 7.17 %. The increase is due to an increase of 44 % in the ROA, and to a reduction of the cost of debt by 0.8 percentage points. With regards to financial leverage, it has reduced, implying an opposite effect to the increase of the ROE. Financial leverage is positive, but it has declined, which means that in 2013 the economic profitability was higher than the cost of debt, but to a lesser extent than it was in 2011; i.e., the benefit to the company obtained through funding with debt has been reduced. (See Table 4.2.12)

Table 4.2.11

	2013	2012	2011	Average of the period	growth
ROA	4,36%	3,28%	3,02%	3,55%	44,62%
ROE	7,17%	3,72%	3,22%	4,70%	122,46%

Table 4.2.12

	ROE	ROA	L/N	I
2013	7,17%	4,36%	1,39	1,81%
2012	3,71%	3,27%	1,65	2,38%
2011	3,22%	3,01%	1,63	2,61%

Up to this we reviewed each subsector separately, but if we proceed to study both subsectors together, we can see how the subsector of tiles shows a better evolution of the ROE, being its growth rate of 122 % against a 102 % in the subsector of glaze. As to annual data, we note that the financial profitability of the glazes industry is much greater, being the value of ROE of 33 % in 2013, compared to a ROE of 7 % in the tiles industry. These figures make us think that in terms of financial profitability the situation of the subsector of glaze is more beneficial than that of the subsector of tiles, being its cost of debt lower and its economic profitability higher, which in turn favor a higher ROE. (See Tables 4.2.5 and 4.2.11)

## 5. Liquidity analysis

In order to carry out the analysis of liquidity we can use of four different tools: working capital, average maturity period, current ratio and quick ratio.

First, working capital is defined as the difference between current assets and current liabilities.

Secondly, regarding the average maturity period, we define two key terms. First, the average period of economic maturity (APEM), which is the time from when the company invests in the factors of production until it receives the payment from customers. Second, the average period of financial maturity (APFM), which is the number of days elapsed since the company pays for the purchase of goods until it recovers the investment by charging customers. When it is reduced, the company will have less need to apply for short-term bank loans. Both APEM and APFM are an inverse measure of liquidity; the higher the magnitude of these variables, the lower is the liquidity.

To calculate both variables we must first analyze three turnovers: goods and raw materials turnover, customer turnover and provider turnover.

Third, the current ratio provides the ability of the company to meet with the short-term charges its payment obligations in the short term; the higher its value is, the better the liquidity of the company is, although an excess of liquidity may cause a reduction in the profitability of the company, so the optimum value of the ratio is between 1.5 and 2.

Fourth, the quick ratio excludes inventories from current ratio, thus the influence of the inventories in the liquidity of the company is removed. The optimum value of the ratio is about 1, which represents equality between receivables and cash and short-term debt.

Next, the study of these variables for each of the companies to analyze —Torrecid, Ithaca, Pamesa and Porcelanosa— and for the subsector of glaze and the subsector of tiles is shown. The data reflect the average of the period comprised between 2011 and 2013.

The first company under study is **Torrecid**. With regards to the goods and raw materials turnover, the average time that materials remain in storage is 35 days.

Regarding customer turnover, the average time from which the goods were sold until they are charged is 112 days.

As for the provider turnover, the average time from the purchase of goods until the payment to suppliers is 116 days.

Next we will see that the APEM is 147 days, being APFM of 31 days, which represents the period in which the company needs to be funded.

147 days	
AVERAGE PERIOD OF ECONOMIC MATURITY	
Supplier payment period	APFM
116 days	31 days

The working capital is located in 63,596 million euros. Regarding the current ratio, Torrecid shows a value of 2.15, close to the optimum value of the ratio—which, as we have already seen, is between 1.5 and 2—, so we can deduce that the company has good liquidity. As for the quick ratio, the value obtained is 2.01; i.e., there is more cash and receivables than short-term debts.

The second company under analysis is **Itaca**. Concerning the goods and raw materials turnover, the average time that materials are kept in storage is 28 days. Regarding customer turnover, average collection period is 86 days. As for the provider turnover, the average time of payment is 108 days.

Next we will see that the APEM is 114 days, while the APFM is 6 days. We note that the period in which the company should be funded is very small.

114 days	
AVERAGE PERIOD OF ECONOMIC MATURITY	
Supplier payment period	APFM
108 days	6 days

Working capital is 27.908 million euros. Regarding Itaca's current ratio, it shows a value of 1.55; the company has an optimum liquidity. As for the quick ratio value, it is 1.43; there is more cash and receivables than short-term debts.

Next the review of the liquidity in the subsector of glaze will be shown. The average time that the materials remain in storage is 31 days, the average collection period is 99 days and the average payment period is 112 days. This yields an average period of

economic maturity of 130 days, being the average period of financial maturity of 18 days.

130 days	
AVERAGE PERIOD OF ECONOMIC MATURITY	
Supplier payment period	APFM
112 days	18 days

The working capital is 45,752 million euros. Regarding the current ratio, the glazes subsector reached the figure of 1.85; this subsector reached an optimum liquidity. As for the quick ratio value, it is 1.72 —while being the optimum value 1. This means that there is more cash and receivables than short-term debts.

The next company under study is **Porcelanosa**. Regarding the goods and raw materials turnover, the average period materials remain in storage is 77 days, as to customer turnover the average collection period is 67 days. With regard to the rotation of suppliers, the average payment period is 69 days.

It should also be pointed out that the APEM is 144 days, with a PMMF of 75 days, which are the days when the company needs to resort to the funding with some cost.

144 days	
AVERAGE PERIOD OF ECONOMIC MATURITY	
Supplier payment period	APFM
69 days	75 days

Working capital is 47,779 million euros. As for the current ratio, Porcelanosa gets a value of 2.78, which determines a high liquidity which exceeds the optimum point of 2.5. As for the quick ratio, its value is 2.52; there is more cash and receivables than short-term debts. The high liquidity in both ratios may be due to the existence of idle resources.

The last company under study is **Pamesa**. Regarding the goods and raw materials turnover the average period that the materials remain in storage is 49 days. As to customer turnover, the average collection period is 78 days. With regard to the rotation of suppliers, the average payment period is 86 days.

Next we will see that the APEM is of 128 days, with an APFM of 42 days, which are the days in which the company needs to be funded.

128 days	
AVERAGE PERIOD OF ECONOMIC MATURITY	
Supplier payment period	APFM
86 days	42 days

Working capital is 122,333 euros; a situation of illiquidity occurs, so the stream of payments will be higher than the current of collections generated in current assets. Regarding the current ratio, Pamesa shows a value of 1.01. As to the quick ratio, the value obtained is 0.85, which shows that the short-term debts are greater than cash and receivables. The reduced value observed in both ratios can generate liquidity problems.

Next the liquidity situation in the subsector of tiles will be displayed. The average period that the materials remain in storage is 63 days, the average collection period is 72 days and the average payment period is 77 days. This yields an average period of economic maturity of 135 days and an average period of financial maturity of 58 days.

135 days	
AVERAGE PERIOD OF ECONOMIC MATURITY	
Supplier payment period	APFM
77 days	58 days

Working capital is 23,828 million euros. Regarding the current ratio, the subsector of tiles shows a value of 1.89, reaching an optimum liquidity, ranging between 1.5 and 2. As for the quick ratio value, it is 1.69, being the optimum value 1. There is more cash and receivables than short-term debts.

Up to this point we carried out an independent analysis, but if we make a comparative analysis of the subsector of glaze and the subsector of tiles we can see, first, that the working capital of the subsector of glaze, 45,752 million euros, doubles the working capital of the subsector of tiles, which is 23,828 million of euros. Compared to the average maturity period, both APEM as APFM are higher in the in the subsector of tiles than in the subsector of glaze, so that this variable indicates that there is greater liquidity in the subsector of glaze. As for the current ratio and the quick ratio, in both subsectors similar figures are obtained, being them in the subsector of glaze 1.85 and 1.72 respectively and in the subsector of tiles 1.89 and 1.69 respectively. With this analysis it can be seen how the subsector of glaze has greater liquidity than the subsector of tiles.

## 6. Conclusion

The purpose of this study is to draw conclusions on the subsectors that constitute the ceramic industry, in order to, thereby, visualize which sector works better and, therefore, has the most successful strategy.

The results clearly show which subsector has a better structure in its financial statements, specifically in terms of profitability and liquidity. In order to deduce which is the subsector with a higher profitability, the tools that have been used were the economic profitability and the financial profitability. To estimate which subsector has the highest liquidity, the tools in use have been working capital, average maturity period, current ratio and quick ratio.

In terms of economic profitability, we can see that there is a more favorable evolution as well as higher figures in the subsector of glaze than in the subsector of tiles, what indicates that the subsector of glaze has a better ability to manage the assets available to the company.

In terms of financial profitability, annual data show results four times higher in the glaze industry than those obtained in the subsector of tiles. This scenario shows that the situation of the subsector of glaze is more beneficial than the one achieved by the tiles industry, being its cost of debt lower and showing higher economic profitability, which favors greater financial profitability.

Regarding working capital, the subsector of glaze doubles that obtained by the subsector of tiles, which indicates that it has more resources to deal with its immediate debts.

The average period of economic maturity is lower in the subsector of glaze, being it of 130 days, against 135 days in subsector of tiles. The glazes industry obtains greater efficiency, since it takes less time since the company invests in the factors of production until it receives the payment from customers.

Regarding the average financial maturity period, it is 18 days in the glazes subsector, and 58 days in the tiles subsector. The glazes subsector gets a figure much more beneficial, as it only takes two and half weeks to be financed with some cost.

With respect to the current ratio, figures obtained in both subsectors are similar, so that no noticeable differences were observed in terms of the ability to meet, with achievable short-term collections, payment obligations in the short term. The quick ratio shows similar results to the current ratio.

After studying the results we obtained, we can say that in terms of profitability the glazes industry is better able to generate an additional return on its investment. Regarding liquidity, the subsector of glaze also has assets with greater capacity to become effective than the subsector of tiles. So, after analyzing the financial statements of both subsectors, we find that the subsector of glaze has some more beneficial financial statements than the tiles industry.

Finally, the study concludes by stating the privileged position of the Spanish ceramic industry internationally and this success, encouraged to the greatest extent by the subsector of ceramic frit, glaze and colour.

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# Annexes

## Torreid financial statements and indicators

PLANTILLA DE DATOS DE LOS ESTADOS FINANCIEROS						
LINEA	ACTIVO	VALOR MEDIO 2013 (A+B)/2	VALOR MEDIO 2012 (B+C)/2	2013 A	2012 B	2011 C
A+B	Activo	257.717.193	232.556.210	272.656.252	242.778.133	222.334.287
A	Activo no corriente	129.731.226	122.960.899	135.847.665	123.614.786	122.307.012
B	Activo corriente	127.985.967	109.595.311	136.808.587	119.163.347	100.027.275
BII1+BI12	Mercaderías y materias primas	8.433.368	6.885.873	8.270.126	8.596.610	5.175.135
BIII1 + BIII2	Clientes	58.111.356	53.505.373	57.653.848	58.568.863	48.441.882
LINEA	<b>PASIVO</b>					
B+C	Pasivo	86.048.603	81.113.556	88.825.132	83.272.074	78.955.038
B	Pasivo no corriente	28.549.164	28.807.667	28.227.608	28.870.719	28.744.615
C	Pasivo corriente	57.499.440	52.305.889	60.597.524	54.401.355	50.210.423
CV1+CV2	Proveedores	33.104.880	30.073.542	33.847.340	32.362.420	27.784.664
CV3	Acreedores varios	5.496.710	4.469.158	5.747.600	5.245.820	3.672.495
LINEA	<b>NETO</b>					
A	Patrimonio neto	171.668.590	151.442.654	183.831.121	159.506.059	143.379.249
LINEA	<b>PYG</b>					
1	Importe neto de la cifra de negocio			161.092.142	139.090.316	111.816.962
2+5	Otros ingresos de la explotación			6.991.720	6.282.477	7.643.824
1+2+5	Ingresos de la explotación			168.083.862	145.372.793	119.460.786
-4	Aprovisionamientos de merc y m.p.			85.091.139	75.289.000	63.007.711
-7a	Servicios Exteriores			20.358.505	19.905.159	15.795.624
14+16+17+18	Ingresos financieros			4.317.096	2.691.634	1.590.735
-15	Gastos financieros			1.190.746	1.121.579	1.044.174
A3	Beneficio antes de impuestos			39.554.197	28.587.554	14.357.978
A3	Beneficio			30.708.217	23.121.229	15.393.328
-14+7a)	Gastos variables			105.440.644	95.194.159	78.803.395
-(6+7b+7c+7d+8+9+10)	Gastos fijos			26.175.501	22.972.387	26.803.641

PLANTILLA DE INDICADORES			
	2013	2012	2011
<b>ANÁLISIS DE ROA</b>			
Beneficio	30.708.217	23.121.229	15.393.328
Gastos financieros x 0,7	833.522	785.105	730.922
Activos medios	257.717.193	232.556.210	
ROA	12,24%	10,28%	
<b>Descomposición de ROA en margen y rotación</b>			
Margen	19,58%	17,19%	14,42%
Rotación	0,63	0,60	0,50
Comprobación ROA = Margen x Rotación	12,24%	10,28%	7,25%
Variación en ROA	1,96%	1,39%	
Variación en Margen	2,39%	2,77%	
Variación en Rotación	0,03		
Efecto Margen EM	1,43%	1,39%	
Efecto Rotación ER	0,46%	0,00%	
Efecto Conjunto EC	0,06%	0,00%	
Variación en ROA = EM+ER+EC	1,96%	1,39%	
<b>Umbral de Rentabilidad y Riesgo Operativo</b>			
Umbral de Rentabilidad	75.781.420	72.790.804	60.783.776
Riesgo Operativo	1.888	2.098	5.316
<b>ANÁLISIS DE ROE</b>			
Beneficio	30.708.217	23.121.229	15.393.328
Patrimonio neto medio	171.668.590	151.442.654	143.379.249
ROE	17,89%	15,27%	10,74%
<b>Descomposición de ROE en ROA y apalancamiento financiero</b>			
CF	0,97%	0,97%	0,93%
Grado de apalancamiento	0,501	0,536	0,551
Margen de apalancamiento	11,27%	9,31%	6,33%
Apalancamiento financiero AF	5,65%	4,99%	3,48%
Comprobación: ROE = ROA+ AF	17,89%	15,27%	10,74%
<b>PERIODO MEDIO DE MADURACIÓN</b>			
Rotación de mercaderías y materias primas	10,090	10,934	
Periodo de almacenamiento de merc y mp	36,18	33,38	
Importe neto cifra de negocio x (1+IVA)	194.921.492	168.299.282	135.298.524
Rotación de clientes	3,35	3,15	
Plazo de cobro a clientes	108,82	116,04	
Compras	84.764.655	78.710.475	
Compras x (1+IVA)	102.565.233	95.233.675	
Rotación de proveedores	3,098	3,167	
Plazo de pago a proveedores	117,8	115,3	
Periodo medio de maduración económico	144,99	149,42	
Periodo medio de maduración financiero	27,18	34,17	
<b>ANÁLISIS DE LA LIQUIDEZ</b>			
Fondo de maniobra	76.211.063	64.761.992	49.816.852
Current ratio	2,26	2,19	1,99
Quick ratio	2,12	2,03	1,89
<b>ANÁLISIS DE LA SOLVENCIA</b>			
Deuda sobre neto	0,48	0,52	0,55
Deuda sobre activos	0,33	0,34	0,36
Ratio deuda a largo plazo	0,13	0,15	0,17
Ratio de cobertura de intereses	32,22	24,49	12,75
Ratio de cobertura de gastos fijos	2,358	2,093	1,441
<b>ANÁLISIS DE QUIEBRA</b>			
Z-Score	3,01	2,82	2,50

# Itaca financial statements and indicators

PLANTILLA DE DATOS DE LOS ESTADOS FINANCIEROS						
LINEA	ACTIVO	VALOR MEDIO	VALOR MEDIO	2013	2012	2011
		2013 (A+B+C)	2012 (A+B+C)	A	B	C
A+B	Activo	137.236.949	105.504.285	156.193.991	118.279.907	92.728.662
A	Activo no corriente	49.820.627	36.294.263	60.439.082	39.202.172	33.386.353
B	Activo corriente	87.416.322	69.210.022	95.754.909	79.077.735	59.342.309
BIII1+BIII2	Mercaderías y materias primas	6.084.299	5.752.178	5.967.709	6.200.889	5.303.467
BIII1 + BIII2	Clientes	48.844.324	39.236.777	54.099.343	43.589.304	34.884.250
LINEA	<b>PASIVO</b>					
B+C	Pasivo	82.412.997	61.151.342	87.846.296	76.979.697	45.322.987
B	Pasivo no corriente	28.904.703	15.839.535	28.020.681	29.788.725	1.890.345
C	Pasivo corriente	53.508.294	45.311.807	59.825.615	47.190.972	43.432.642
CV1+CV2	Proveedores	20.936.484	16.898.347	22.783.043	19.089.924	14.706.770
CV3	Acreedores varios	7.925.951	5.937.075	8.672.514	7.179.388	4.694.762
LINEA	<b>NETO</b>					
A	Patrimonio neto	54.823.953	44.352.943	68.347.695	41.300.210	47.405.675
LINEA	<b>PYG</b>					
1	Importe neto de la cifra de negocio			178.126.032	132.733.520	103.503.995
2+5	Otros ingresos de la explotación			3.387.177	2.193.170	1.144.473
1+2+5	Ingresos de la explotación			181.513.209	134.926.690	104.648.468
-4	Aprovisionamientos de merc y m.p.			87.454.113	67.469.058	59.803.781
-7a	Servicios Exteriores			28.632.562	23.284.000	12.545.554
14+16+17+18	Ingresos financieros			-171.138	73.103	-612.093
-15	Gastos financieros			2.093.843	1.464.398	1.167.398
A3	Beneficio antes de impuestos			39.737.069	25.006.896	15.781.437
A4	Beneficio			27.098.250	17.678.878	10.632.593
-(4+7a)	Gastos variables			116.086.675	90.753.058	72.349.335
-(6+7b+7c+7d+8+9+10)	Gastos fijos			25.224.351	19.387.699	16.300.702

PLANTILLA DE INDICADORES			
	2013	2012	2011
<b>ANÁLISIS DE ROA</b>			
Beneficio	27.098.250	17.678.878	10.632.593
Gastos financieros x 0,7	1.465.690	1.025.079	817.179
Activos medios	137.236.949	105.504.285	
ROA	20,81%	17,73%	
<b>Descomposición de ROA en margen y rotación</b>			
Margen	16,04%	14,09%	11,06%
Rotación	1,30	1,26	1,12
Comprobación ROA = Margen x Rotación	20,81%	17,73%	12,35%
Variación en ROA	3,09%	3,38%	
Variación en Margen	1,94%	3,03%	
Variación en Rotación	0,04		
Efecto Margen EM	2,45%	3,38%	
Efecto Rotación ER	0,56%	0,00%	
Efecto Conjunto EC	0,08%		
Variación en ROA = EM+ER+EC	3,09%	3,38%	
<b>Umbral de Rentabilidad y Riesgo Operativo</b>			
Umbral de Rentabilidad	72.423.600	61.299.886	54.155.230
Riesgo Operativo	1.685	1.858	2.097
<b>ANÁLISIS DE ROE</b>			
Beneficio	27.098.250	17.678.878	10.632.593
Patrimonio neto medio	54.823.953	44.352.943	47.405.675
ROE	49,43%	39,86%	22,43%
<b>Descomposición de ROE en ROA y apalancamiento financiero</b>			
CF	1,78%	1,68%	1,80%
Grado de apalancamiento	1,503	1,379	0,956
Margen de apalancamiento	19,04%	16,05%	10,54%
Apalancamiento financiero AF	28,61%	22,13%	10,08%
Comprobación: ROE = ROA + AF	49,43%	39,86%	22,43%
<b>PERIODO MEDIO DE MADURACIÓN</b>			
Rotación de mercaderías y materias primas	14,374	11,729	
Periodo de almacenamiento de merc y mp	25,39	31,12	
Importe neto cifra de negocio x (1+IVA)	215.532.499	160.607.559	125.239.834
Rotación de clientes	4,41	4,09	
Plazo de cobro a clientes	82,72	89,17	
Compras	87.220.933	68.356.480	
Compras x (1+IVA)	72.083.416	58.501.223	
Rotación de proveedores	3,443	3,344	
Plazo de pago a proveedores	106,0	109,2	
Periodo medio de maduración económico	108,11	120,29	
Periodo medio de maduración financiero	2,10	11,12	
<b>ANÁLISIS DE LA LIQUIDEZ</b>			
Fondo de maniobra	35.929.294	31.886.763	15.909.667
Current ratio	1,60	1,68	1,37
Quick ratio	1,50	1,54	1,24
<b>ANÁLISIS DE LA SOLVENCIA</b>			
Deuda sobre neto	1,29	1,86	0,96
Deuda sobre activos	0,56	0,65	0,49
Ratio deuda a largo plazo	0,29	0,42	0,04
Ratio de cobertura de intereses	17,98	16,08	12,52
Ratio de cobertura de gastos fijos	2,301	2,059	1,770
<b>ANÁLISIS DE QUIEBRA</b>			
Z-Score	3,13	2,83	2,97

## Porcelanosa financial statements and indicators

PLANTILLA DE DATOS DE LOS ESTADOS FINANCIEROS						
LINEA	ACTIVO	VALOR MEDIO 2013 (€-M)	VALOR MEDIO 2012 (€-M)	2013 A	2012 B	2011 C
A+B	Activo	349.787.481	337.184.778	360.203.925	339.371.037	334.998.518
A	Activo no corriente	271.304.776	268.497.053	271.992.195	270.617.356	266.376.750
B	Activo corriente	78.482.706	68.687.725	88.211.730	68.753.681	68.621.768
BII1+BII2	Mercaderías y materias primas	6.729.241	7.081.490	6.062.389	7.396.092	6.766.888
BIII1 + BIII2	Clientes	33.336.897	32.376.576	32.964.006	33.709.787	31.043.365
LINEA	<b>PASIVO</b>					
B+C	Pasivo	93.791.861	90.380.877	99.565.820	88.017.901	92.743.853
B	Pasivo no corriente	63.446.241	65.568.395	66.943.150	59.949.332	71.187.457
C	Pasivo corriente	30.345.620	24.812.483	32.622.670	28.068.569	21.556.396
CV1+CV2	Proveedores	8.488.831	6.540.120	9.023.379	7.954.282	5.125.957
CV3	Acreedores varios	8.060.505	7.237.548	8.319.249	7.801.760	6.673.336
LINEA	<b>NETO</b>					
A	Patrimonio neto	255.995.621	246.803.901	260.638.105	251.353.136	242.254.666
LINEA	<b>PIG</b>					
1	importe neto de la cifra de negocio			151.048.752	144.735.000	130.242.963
2+5	Otros ingresos de la explotación			5.816.041	1.375.137	5.297.223
1+2+5	Ingresos de la explotación			156.864.793	146.110.137	135.540.186
-4	Aprovisionamientos de merc y m. p.			35.334.597	30.668.497	27.230.912
-7a	Servicios Exteriores			34.380.243	35.019.600	34.030.810
14+16+17+18	Ingresos financieros			-14.361.526	-19.316.648	-16.778.784
-15	Gastos financieros			2.242.713	2.929.931	2.695.388
A3	Beneficio antes de impuestos			26.987.419	16.174.190	10.010.506
A4	Beneficio			15.743.628	11.365.068	7.532.457
-(4+7a)	Gastos variables			69.714.840	65.688.097	61.270.722
-(6+7b+7c+7d+8+9+10)	Gastos fijos			43.589.609	42.014.528	44.701.321

PLANTILLA DE INDICADORES			
	2013	2012	2011
<b>ANÁLISIS DE ROA</b>			
Beneficio	15.743.628	11.365.068	7.532.457
Gastos financieros x 0,7	1.569.899	2.050.952	1.886.772
Activos medios	349.787.481	337.184.778	
ROA	4,95%	3,98%	
<b>Descomposición de ROA en margen y rotación</b>			
Margen	11,46%	9,27%	7,23%
Rotación	0,43	0,43	0,39
Comprobación ROA = Margen x Rotación	4,95%	3,98%	2,81%
Variación en ROA	0,97%	0,79%	
Variación en Margen	2,19%	2,04%	
Variación en Rotación	0,00		
Efecto Margen EM	0,94%	0,79%	
Efecto Rotación ER	0,02%	0,00%	
Efecto Conjunto EC	0,01%	0,00%	
Variación en ROA = EM+ER+EC	0,97%	0,79%	
<b>Umbral de Rentabilidad y Riesgo Operativo</b>			
Umbral de Rentabilidad	80.941.019	76.928.665	84.411.242
Riesgo Operativo	2.155	2.135	2.842
<b>ANÁLISIS DE ROE</b>			
Beneficio	15.743.628	11.365.068	7.532.457
Patrimonio neto medio	255.995.621	246.803.901	242.254.666
ROE	6,15%	4,60%	3,11%
<b>Descomposición de ROE en ROA y apalancamiento financiero</b>			
CF	1,67%	2,27%	2,03%
Grado de apalancamiento	0,366	0,366	0,383
Margen de apalancamiento	3,28%	1,71%	0,78%
Apalancamiento financiero AF	1,20%	0,63%	0,30%
Comprobación: ROE = ROA+ AF	6,15%	4,60%	3,11%
<b>PERIODO MEDIO DE MADURACIÓN</b>			
Rotación de mercaderías y materias primas	5,251	4,331	
Periodo de almacenamiento de merc y mp	69,51	84,28	
Importe neto cifra de negocio x (1+IVA)	182.768.990	175.129.350	157.593.985
Rotación de clientes	5,48	5,41	
Plazo de cobro a clientes	66,58	67,48	
Compras	34.000.894	31.297.701	
Compras x (1+IVA)	41.141.082	37.870.218	
Rotación de proveedores	4,846	5,790	
Plazo de pago a proveedores	75,3	63,0	
Periodo medio de maduración económico	136,09	151,76	
Periodo medio de maduración financiero	60,78	88,72	
<b>ANÁLISIS DE LA LIQUIDEZ</b>			
Fondo de maniobra	55.589.060	40.685.112	47.065.372
Current ratio	2,70	2,45	3,18
Quick ratio	2,52	2,19	2,87
<b>ANÁLISIS DE LA SOLVENCIA</b>			
Deuda sobre neto	0,38	0,35	0,38
Deuda sobre activos	0,28	0,26	0,28
Ratio deuda a largo plazo	0,20	0,19	0,23
Ratio de cobertura de intereses	11,03	4,52	2,71
Ratio de cobertura de gastos fijos	1,491	1,229	1,097
<b>ANÁLISIS DE QUIEBRA</b>			
Z-Score	2,77	2,77	2,58

Pamesa financial statements and indicators

PLANTILLA DE DATOS DE LOS ESTADOS FINANCIEROS						
LINEA	ACTIVO	VALOR MEDIO 2013 (A+B+C)	VALOR MEDIO 2012 (B+C+D)	2013 A	2012 B	2011 C
A+B	Activo	192.028.500	197.933.500	185.536.000	198.521.000	197.346.000
A	Activo no corriente	73.892.500	79.399.000	79.235.000	68.550.000	90.248.000
B	Activo corriente	118.136.000	118.534.500	106.301.000	129.971.000	107.098.000
BI1+BI2	Mercaderías y materias primas	19.646.500	17.820.000	19.537.000	19.756.000	15.884.000
BI11 + BI12	Clientes	50.768.500	52.546.500	36.990.000	64.547.000	40.546.000
LINEA	PASIVO					
B+C	Pasivo	135.686.000	147.549.500	122.703.000	148.669.000	146.430.000
B	Pasivo no corriente	24.592.500	22.191.500	29.682.000	19.503.000	24.880.000
C	Pasivo corriente	111.093.500	125.358.000	93.021.000	129.166.000	121.550.000
CV1+CV2	Proveedores	40.023.000	39.287.000	27.688.000	52.358.000	26.216.000
CV3	Acreedores varios	498.500	496.500	482.000	515.000	478.000
LINEA	NETO					
A	Patrimonio neto	56.342.500	50.383.500	62.833.000	49.852.000	50.915.000
LINEA	PYG					
1	Importe neto de la cifra de negocio			219.169.000	183.659.000	163.123.000
2+5	Otros ingresos de la explotación			10.610.000	3.238.000	778.000
1+2+5	Ingresos de la explotación			229.779.000	186.897.000	163.901.000
-4	Aprovisionamientos de merc y m.p.			155.671.000	121.439.000	102.629.000
-7a	Servicios Exteriores			36.715.000	32.676.000	29.403.000
14+16+17+18	Ingresos financieros			2.412.000	-1.181.000	1.446.000
-15	Gastos financieros			3.758.000	5.258.000	6.651.000
A3	Beneficio antes de impuestos			5.326.000	1.067.000	2.501.000
A4	Beneficio			4.617.000	1.427.000	1.700.000
-(4+7a)	Gastos variables			192.386.000	154.115.000	132.032.000
-(6+7b+7c+7d+8+9+10)	Gastos fijos			30.055.000	24.796.000	23.231.000

PLANTILLA DE INDICADORES			
	2013	2012	2011
<b>2</b>			
Beneficio	4.617.000	1.427.000	1.700.000
Gastos financieros x 0,7	2.630.600	3.680.600	4.655.700
Activos medios	192.028.500	197.933.500	
ROA	3,77%	2,58%	
<b>Descomposición de ROA en margen y rotación</b>			
Margen	3,31%	2,78%	3,90%
Rotación	1,14	0,93	0,83
Comprobación ROA = Margen x Rotación	3,77%	2,58%	3,22%
Variación en ROA	1,19%	-0,92%	
Variación en Margen	0,53%	-1,12%	
Variación en Rotación	0,21		
Efecto Margen EM	0,49%	-0,92%	
Efecto Rotación ER	0,59%	0,00%	
Efecto Conjunto EC	0,11%	0,00%	
Variación en ROA = EM+ER+EC	1,19%	-0,92%	
<b>Umbral de Rentabilidad y Riesgo Operativo</b>			
Umbral de Rentabilidad	245.942.229	154.143.263	121.884.481
Riesgo Operativo	-8.186	6.222	3.956
<b>ANÁLISIS DE ROE</b>			
Beneficio	4.617.000	1.427.000	1.700.000
Patrimonio neto medio	56.342.500	50.383.500	50.915.000
ROE	8,19%	2,83%	3,34%
<b>Descomposición de ROE en ROA y apalancamiento financiero</b>			
CF	1,94%	2,49%	3,18%
Grado de apalancamiento	2,408	2,929	2,876
Margen de apalancamiento	1,84%	0,09%	0,04%
Apalancamiento financiero AF	4,42%	0,25%	0,12%
Comprobación: ROE = ROA + AF	8,19%	2,83%	3,34%
<b>PERIODO MEDIO DE MADURACIÓN</b>			
Rotación de mercaderías y materias primas	7,924	6,815	
Periodo de almacenamiento de merc y mp	46,06	53,56	
Importe neto cifra de negocio x (1+IVA)	265.194.490	222.227.390	197.378.830
Rotación de clientes	5,22	4,23	
Plazo de cobro a clientes	69,88	86,31	
Compras	155.452.000	125.311.000	
Compras x (1+IVA)	188.096.920	151.626.310	
Rotación de proveedores	4,700	3,859	
Plazo de pago a proveedores	77,7	94,6	
Periodo medio de maduración económico	115,94	139,87	
Periodo medio de maduración financiero	38,28	45,29	
<b>ANÁLISIS DE LA LIQUIDEZ</b>			
Fondo de maniobra	13.280.000	805.000	-14.452.000
Current ratio	1,14	1,01	0,88
Quick ratio	0,93	0,85	0,75
<b>ANÁLISIS DE LA SOLVENCIA</b>			
Deuda sobre neto	1,95	2,98	2,88
Deuda sobre activos	0,66	0,75	0,74
Ratio deuda a largo plazo	0,32	0,38	0,33
Ratio de cobertura de intereses	0,42	-0,80	-0,62
Ratio de cobertura de gastos fijos	0,935	0,686	0,639
<b>ANÁLISIS DE QUIEBRA</b>			
Z-Score	2,15	1,61	1,47