

DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN S.A.- ECONOMIC FINANCIAL ANALYSIS

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Academic year: 2019/2020

ABSTRACT

The following document is an economic-financial analysis by DIA (*Distribuidora Internacional de Alimentación*). Firstly, we will place the company in its context, its history and its business model, in order to understand its history, its beginnings and its present, through the study of the business model it has followed, as well as its competitive advantage, opportunities and threats it faces.

Next we will highlight the most important events in which the company has participated and as a central nucleus its listing on the stock exchange. The results and the financial situation of the company will be analyzed at present, comparing it with other companies in the same sector and determining the value of the company.

Key words: takeover bid, analysis, losses, assets, financial, economic.

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1. Introduction

The main purpose of this study is to analyse in depth the main factors and events in the life of the company DIA, in order to understand its current financial situation and structure.

Analysing a company today strictly and thoroughly is somewhat complex, since we are in a context of great organizational mobility, changes in customer preferences and in the grouping of competitors.

The company we are going to examine has different strategic approaches, various financial and commercial management policies. It is also important to consider the internal and external aspects that affect or may affect the company and its results, i.e. to perform a SWOT analysis of the company.

For a long time, DIA has been at the top of the food sector at national level, together with other traditional competitors such as *Mercadona*, *Eroski* or *Carrefour*, among others. Given the importance of this company, we will analyse its financial results, its evolution and economic situation in recent years, with special emphasis on the events that triggered its exit from the Spanish stock markets

For the development of this work we will analyse different areas of the company: history, internal structure, environment and other relevant aspects. Along with this general analysis, we will carry out different ratios that will allow us to elucidate the origin of its current financial situation, as well as other noteworthy data. To do this, we will use its Balance Sheet, the Profit and Loss Account and the Cash Flow Statement, extracted from the SABI platform, and we will conclude with a comparison of the company's situation prior to its exit from the Stock Exchange and its current situation.

1.1. Justification and motivation

One of the Spanish economic news items that had the greatest impact in 2019 was the technical bankruptcy of DIA, a supermarket that any person can find in his or her neighbourhood or in the city where he or she lives and which he or she has also been able to join at work, so this news item had even more repercussions on the country's middle class, as it led to more than 2,000 staff redundancies. That is why with this study we will try to clarify the current situation of the company and the facts that originated the economic and financial change of it, as well as try to clarify those parts where it has continually failed so that it can also serve as a precedent for other businesses and for the years to come.

1.2. Methodology

The method of carrying out our research is based mainly on the search for proven information, mostly from reliable and academic sources, as well as information from the company's corporate website.

A large part of the texts and data we have used come from newspaper articles published during the period we are analysing, that means between 2016 and 2019. As for the quantitative data, the SABI database mentioned above has provided us with the accounting and financial reports such as the Balance Sheet, the Cash Flow Statement and the Profit and Loss Statement based on the 2007 General Accounting Plan, from which we have extracted and analysed the data in order to later calculate the ratios that will be described in the following sections. Given the current situation and the confinement that has occurred in the country during the last quarter, most of the data and information has been obtained through online resources, since we could not resort to libraries.

In addition, for the calculation of the ratios we have used notes from different subjects taken in the degree, mainly notes from financial statement analysis and treasury management, both for their calculation, as well as for the definitions and analysis of the results.

2. Company description and business model

2.1. History

Distribuidora Internacional de Alimentación, S.A., publicly known as DIA, was incorporated in Spain on 24 June 1966 as a public limited company, with its registered office and tax domicile in *Las Rozas* (Madrid)

The Company's corporate purpose is to carry out the following activities, both in Spain and abroad

- As its main activity, the purchase, sale and retail distribution of foodstuffs, beverages, cosmetics, drugs and a wide variety of products intended for consumption.
- Provision of telephone and communications services through agreements with the companies authorized to do so.
- Financial operations, sale and leasing of movable and immovable property
- Marketing of credit products and services through agreements with the entities destined to this service.
- Sale and organization of trips acting as an agency.
- Sale and distribution of oil products, fuels and combustibles
- Own and external activities of storage of products and goods

The main formats in which the company expands are:

Dia MARKET: provides proximity to the client, specializes in perishable and fresh products and the surfaces vary between 400 and 700 square meters.

La PLAZA de Dia: focused on families, with personalized attention and specialization in fresh produce varieties. Located in urban areas and whose size can vary between 300 and 1000 square meters.

CADA Dia: format managed by the franchisees; whose shops are mainly located in rural areas.

Dia MAXI: large surface area formats with more than 3500 products, with parking areas and location on the outskirts.

Dia PREÇO: we distinguish in market or family, being the first ones with less superficies and located in urban areas.

MAIS PERTO: stores in rural areas of Portugal, managed by franchisees and with simple infrastructures.

In addition to the variety of commercial formats that the company has, we also find different brands with which it operates:

- DIA: the company's main brand and the one it uses most in its shops.
- Bonté: specialized in products for hygiene and cosmetics.
- Delicious: classifies high-end products and provides great added value to the company's profits
- Basic Cosmetics: specialized in make-up and cosmetics.
- BabySmile and JuniorSmile: products dedicated to the care of small children,
- As: pet products.
- Vital: specialized in 'healthy' products

The company opened its first store in 1979 in Madrid, and then in 1984 created its corporate image; it opened its doors to be known as a store of proximity and discount format, that is to say to give its clients the possibility to acquire its products in a simple, fast way and with very competitive prices.

Since then the company began its internationalization with the first opening of a store in Portugal (1993), followed by Greece (1995) Argentina (1997) and Turkey (1999). In conjunction with the internationalization strategy, the company began to integrate into the Carrefour International Group, which opened the doors to the French market. The

opening with the markets continued in 2001 with the opening of stores in Brazil and in 2003 in China.

With the constant changes in the market and commerce the company had to make improvements and adapt to the new needs demanded by the clients: new store formats DIA maxi, which was characterized by its location in the suburbs and by its large surfaces, and DIA Market, with locations closer to the urban centers offering as main characteristic its proximity.

Along with the innovation and creation of these two formats, the company decided to add to its expansion the purchase of Plus supermarkets, property of the German company *Tengelmann*, for 200 million euros.

One of the most notable events in the history of the company we are analysing is its spin-off in 2011 with the *Carrefour Group*, as the latter, due to its majority shareholding and to forecasts of decreasing sales in France, decided to split off from DIA and in this way make way for its entry into the Spanish stock market, with an exit on the primary market of 3.5 euros per share and a valuation of some 2,180 million euros.

In January of the following year the company entered the Spanish stock market index of reference, the Ibex 35, a period during which it was formed by 36 companies.

In the years following its entry into the stock market, the innovation process continued with the acquisition of the *Schleker* company in Portugal and Spain and *El Árbol*, with the acquisition of 400 supermarkets and 30 Cash & Carry, with which it aimed to accentuate the sale of fresh products.

In 2014 DIA carried out an expansion in its number of stores, with the acquisition of 160 *Eroski* Group stores, including 50 *Caprabo* stores for a total of 146 million euros.

2017 was a decisive year in DIA's history, as 10% of the company was acquired by *Letterone*, with which, together with the American investment bank Goldman Sachs, it would make several more agreements to achieve a total of 74.81% of the company today. At the end of this year, the conglomerate *Letterone* acquired a total of 19% of DIA, seeing the departure of the then president Ana Llopis

At this point in the chronology, we can say that 2018 was the year in which the company suffered serious economic deterioration in its structure, being as main fact the exit of the company from the Ibex 35 and as main consequence the technical bankruptcy of the company due to annual losses of 352 million euros and a negative equity of 98 million. This led to the dismissal of 2064 workers (in agreement with trade unions, this was reduced to 1334) and the closure of 287 establishments, adding more diverse

consequences such as the downgrading of the DIA rating to 'junk bond' by the Standard and Poor's rating agency.

In accordance with the Law on Corporations, when losses reduce a company's net worth to less than half of its capital, the company is in the process of being dissolved. In this context, the CEO Borja de la Cierva announced a restructuring plan that involved a capital increase of 600 million euros.

2019 began with a voluntary takeover bid by Letterone Investment Holdings SA, a shareholder and holder of 29.001% of the company's share capital, for all the shares into which the share capital is divided, a total of 622,456,513 at a price per share of 0.67 euros.

The Group currently owns almost 75% of the company, so it is the controlling shareholder.

2.2 Vision

"Employees and associates put the customer at the center of our action to be the preferred choice." (Information extracted from the corporate website)

2.3. Mission

"Every day and on every occasion, closer to our customers with quality at the best price." (Information extracted from the corporate website)

2.4. Values

Effectiveness: We work rigorously and train our teams to make decisions with professional standards. We look for the profitability of our actions. We offer our clients products and services of the highest quality at the best price.

Initiative: We are aware of the changes that take place in the markets where we operate and we anticipate them with creative and innovative solutions.

Respect: We respect our commitments. We generate an atmosphere of trust and accept diversity and differences of opinion, so we manage to work in a climate of security, credibility and respect for the individual.

Team: We work as a team, with a common goal and in a coordinated way. We encourage a positive relationship to take advantage of people's talent, which allows us to achieve the best results.

Client: Achieving customer satisfaction is our main goal.

3.Environment analysis (General and specific)

3.1. General environment (PEST)

This analysis will allow us to identify those factors in the general environment that affect or may affect our company, and which if managed correctly could become opportunities.

In this section we will analyse the company from an external point of view; to do so, the following dimensions will be presented:

-Economic dimension:

After the crisis of the 90s, Spain developed a period of economic growth, which was paralyzed by the economic crisis that hit the world in 2008, which brought with it another period of recession that would begin to lessen as of 2014.

Spain's GDP in 2019 grew by 2% compared to 2018, leaving the country in 13th place out of the 196 countries that publish GDP. At the end of 2018, GDP growth was still less than 3%, which could be due to political changes and decreases in employment.

Below are the data of the gross domestic product at market prices, clarifying that final consumption expenditure increases by 1.5% with respect to the same period in 2018.

| | 2018 | | | | 2019 | | | |
|--------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Tr. I | Tr. II | Tr. III | Tr. IV | Tr. I | Tr. II | Tr. III | Tr. IV |
| Producto interior bruto a precios de mercado | 0,5 | 0,5 | 0,5 | 0,6 | 0,6 | 0,4 | 0,4 | 0,4 |
| Gasto en consumo final | 0,4 | 0,4 | 0,3 | 0,3 | 0,4 | 0,0 | 0,8 | 0,3 |
| Gasto en consumo final de los hogares | 0,3 | 0,4 | 0,2 | 0,2 | 0,4 | -0,1 | 0,8 | 0,1 |
| Gasto en consumo final de las ISFLSH | 1,9 | -0,4 | 0,3 | 0,0 | -0,1 | 0,8 | 1,3 | 0,3 |
| Gasto en consumo final de las AAPP | 0,5 | 0,5 | 0,6 | 0,6 | 0,6 | 0,5 | 0,6 | 0,7 |
| Formación bruta de capital | 0,7 | 3,3 | 0,6 | -0,2 | 0,8 | -0,2 | 1,3 | -1,2 |
| Formación bruta de capital fijo | 0,2 | 3,5 | 0,2 | -0,5 | 1,5 | -0,8 | 1,1 | -1,2 |
| Activos fijos materiales | 0,0 | 4,4 | 0,2 | -0,6 | 1,7 | -1,1 | 1,2 | -1,8 |
| Viviendas y otros edificios y construcciones | 2,1 | 1,8 | 0,9 | 0,9 | 0,4 | -0,5 | -0,8 | -1,3 |
| Maquinaria, bienes de equipo, sistemas de armamento y recursos biológicos cultivados | -2,8 | 8,1 | -0,7 | -2,7 | 3,7 | -2,1 | 4,1 | -2,5 |
| Productos de la propiedad intelectual | 1,0 | -0,3 | 0,3 | 0,1 | 0,3 | 1,2 | 1,0 | 1,4 |
| Demanda nacional | 0,4 | 1,0 | 0,4 | 0,2 | 0,5 | 0,0 | 0,9 | -0,1 |
| Exportaciones de bienes y servicios | 0,4 | -0,2 | -1,0 | 0,9 | 1,0 | 1,6 | 0,1 | 0,6 |
| Importaciones de bienes y servicios | 0,2 | 1,2 | -1,4 | -0,2 | 0,9 | 0,5 | 1,4 | -0,8 |
| Producto interior bruto a precios de mercado | 0,5 | 0,5 | 0,5 | 0,6 | 0,6 | 0,4 | 0,4 | 0,4 |
| Agricultura, ganadería, silvicultura y pesca | 2,5 | 2,0 | -3,3 | 5,7 | -4,2 | -2,5 | 1,3 | 0,1 |
| Industria | -0,4 | -0,5 | -0,1 | -0,5 | 0,7 | 0,5 | 0,4 | -0,4 |
| Industria manufacturera | -0,2 | 0,1 | -0,3 | 0,0 | 0,3 | 0,0 | 0,3 | 0,1 |
| Construcción | 1,1 | 2,0 | 1,4 | 1,3 | 1,4 | 0,4 | -0,6 | -0,3 |
| Servicios | 0,6 | 0,6 | 0,8 | 0,6 | 0,8 | 0,6 | 0,4 | 0,6 |
| Comercio, transporte y hostelería | 0,2 | 0,9 | 0,6 | 0,7 | 0,9 | 0,3 | 0,5 | 0,5 |
| Información y comunicaciones | 1,2 | 1,7 | 0,0 | 0,4 | 0,2 | -0,3 | 0,3 | 0,9 |
| Actividades financieras y de seguros | 2,1 | 1,8 | 1,1 | 0,7 | 2,6 | 3,0 | 1,1 | 1,7 |
| Actividades inmobiliarias | 0,5 | 0,6 | 0,7 | 0,6 | 0,4 | 0,5 | 0,4 | 0,7 |
| Actividades profesionales, científicas y técnicas y otras | 1,4 | 0,9 | 1,6 | 0,8 | 1,0 | 0,8 | 0,5 | 0,7 |
| Administración pública, educación y sanidad | 0,3 | 0,2 | 0,8 | 0,5 | 0,5 | 0,5 | 0,3 | 0,4 |
| Actividades artísticas, recreativas y otros servicios | -0,3 | -0,9 | 0,8 | 0,2 | 0,3 | 0,4 | -0,5 | 0,6 |
| Impuestos menos subvenciones sobre los productos | 0,5 | 0,1 | -0,2 | -0,4 | -0,1 | -0,1 | 0,6 | 0,5 |

Table 1: Evolution of GDP 2017-2018. Source: INE

Regarding exports and imports of goods and services, we observe that firstly exports grow 3.3%, 3 tenths less than the previous quarter, due to the decrease in the inter-annual rates of exports of goods and services.

Imports increase by 2.1%, 6 tenths less than in the third quarter, mostly caused by the decrease in the level of imports of goods.

As for employment, an indispensable part of a democratic economy, it increases by 0.9% and 2.0% in interannual terms and in terms of full-time jobs, that is, 358,000 more jobs in one year.

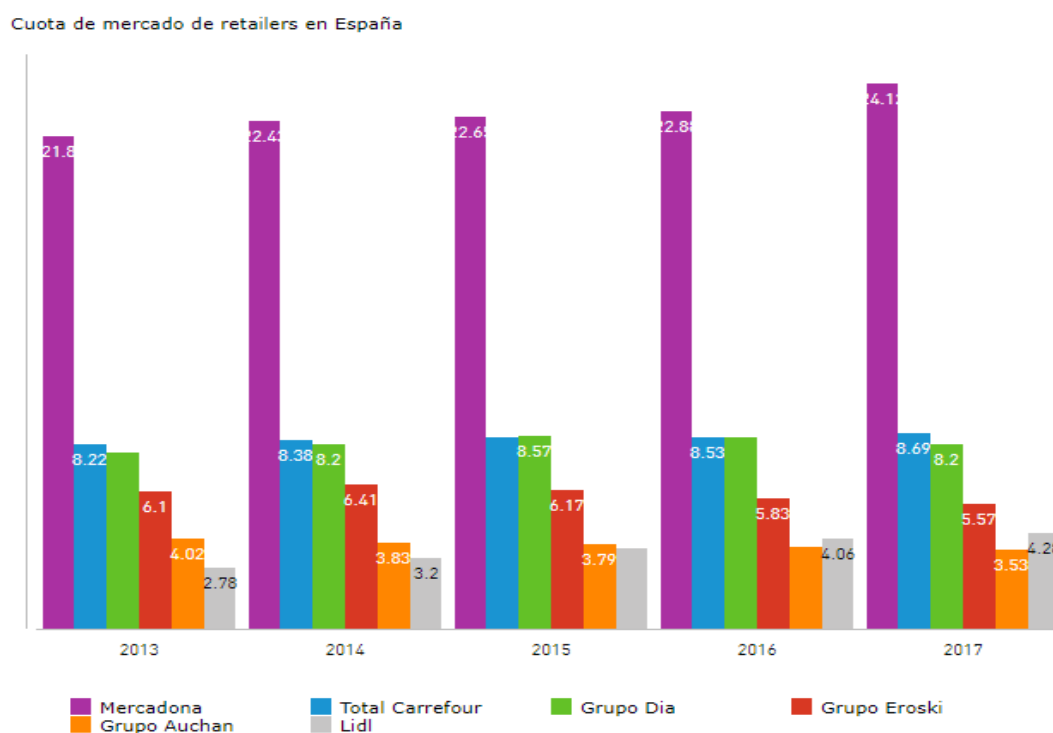
In reference to the food sector, in 2018 there was a greater consumption in spite of the increase in prices, continuing in the same way in 2019, and bringing with it an increase in the invoicing of the food sector as a whole of 1.5%.

The value of the shopping basket increased by 2.2%, mainly due to the purchase of specialized products and brands.

E-commerce and e-purchasing platforms continue to grow but with the supermarket format, as well as healthy and organic foods.

As for the retail format, franchises have taken a back seat, mainly due to the transfer to own stores (the case of DIA itself) and the most affected are the specialist channel and the hypermarket.

Mercadona maintains its leadership in the sector, followed by a great growth of the Aldi and Lidl chains which bet on fresher products. As we can see, the distribution of the Spanish food sector is not very fragmented as there is a big difference in market share between the leader and its main competitors.



Graph 1: Market share of supermarkets. Source: Asturias Mundial

-Political and legal dimension.

The political environment of a country has a direct influence on companies since, depending on the ideals of the governing parties, taxation and taxes are applied differently.

The main entities acting in this dimension are political groups and parties, trade unions and government agencies. Depending on the way in which they carry out their functions will affect in one way or another the functionality of the companies,

As was observed in 2018, the two-party system in Spain has come to an end, giving rise to pluralism and also to more extreme ideologies. Instability continues with the socialist government, as the general budgets for 2019 were not approved, leading to new general elections from which a government was formed with the coalition of the Spanish Socialist Workers' Party and Unidos Podemos, and Pedro Sánchez Pérez-Castejón as president.

In recent years, Catalonia has experienced both political and commercial conflicts, which have resulted in drastic business decisions, such as the closure or relocation of business headquarters and warehouses.

Among the most notable fiscal measures for 2019 are

- Changes in the requirements for making an objective estimate of personal income tax
- New deductions for self-employed
- Exemption from personal income tax for maternity and paternity benefits
- Presentation of the annual declaration operations with third parties
- New tax information obligations
- Transactions with United Kingdom
- Prolongation of Wealth Tax.

All of them will affect, to a greater or lesser extent, the companies or the structure and the members that make them up.

-Technological dimension:

When we speak of the technological dimension, we refer to the way in which technology and innovations appear and can change society, thinking about issues such as information and communication technologies (ICT), the emergence of new technologies, investment and spending on R&D by countries, innovative forms and channels of production and distribution.

In 2017, Spanish R&D expenditure, the last year for which data are available, rose by 6% compared to 2016, of which 54.9% corresponded to investment in companies and 1.20% of GDP, although even with this growth Spain continues to lag behind the European average.

Another important point is e-commerce as a sales and distribution channel, through corporate websites or blogs and social networks, where more than 90% of companies are located. The sectors that lead e-commerce are travel agencies, with 16% of the total turnover, followed by airlines with 8.8%. This boom in e-commerce is thanks to the country's telecommunications infrastructure, such as one of Europe's most extensive fibre optics.

On the other hand, according to data provided by the European Patent Office (EPO), the number of European patents of Spanish origin increased by 6.3% in 2018, with 1776 applications filed by companies and research centers, leading the ranking in the pharmaceutical, transport and biotechnology sectors.

-Social dimension.

There are 4 relevant aspects that in the most immediate future will affect the Spanish economy:

*Decline in birth rate: Spain is one of the countries with the lowest fertility rate in the European Union, 1.34 per woman in 2016; the projections of the National Institute of Statistics conclude that until 2065 the rate among Spanish mothers will not reach 1.4 children per woman, all this influenced by the high rates of youth unemployment that prevent a complicated access to housing and stable employment.

*Ageing population: main cause of the increase in life expectancy, estimating that in 2031 more than a quarter of the population will be over 65 years old, 25.6% according to the National Institute of Statistics. All of this will affect the pension system, which in turn will affect the evolution of the economy, along with a change in consumption preferences by age.

*Increase in micro-households: in recent years, single-person households have increased the most, accounting for 25.4% of all Spanish households, which is the case in developed countries and does not have to influence future economic factors.

*Increase in immigration: in this period 2018, the immigrant population has increased by 3.2%, the first increase since 2010, showing that migratory flows are very sensitive to the economic conditions of both the countries of origin and the receiving countries. This increase in immigration will have direct effects on the labour market by covering less qualified jobs in general, which in turn will affect the housing market and which is expected to compensate for the deficit of the active population, caused in turn by the ageing of the population, in the future.

3.2. Analysis of the Specific Environment

3.2.1. 5 competitive forces of Porter

By means of the following strategic model we will analyse certain aspects of the specific environment of the company DIA to analyse its competition in the industry in which it develops and thus be able to analyse its business strategy.

1. Entry of new competitors:

In the sector in which DIA operates, the entry of the first line of competition is not very frequent as it represents a large investment in order to carry out its activity, referring to large barriers to entry. In this grouping we should differentiate between potential competitors and those that, although they represent competition, their level is not so high since their characteristics differ greatly from the company we are analysing; we are talking about small businesses that, although they operate in the same sector, would need large investments to be on the same level in terms of sales as the rest of the larger areas. In addition, another important entry barrier is the consolidation of brands that already operate in the sector as well as customer loyalty.

It should be noted that DIA also has small local shops (DIA Market), which would make it easier for new rivals to emerge since the investment required is lower.

2. Current competitors

As we have described above, DIA's most direct and current competitors can be summarised in 5 large companies: *Lidl, Mercadona, Carrefour, Eroski and Auchan*, as far as the level of DIA Maxi is concerned; at the local trade level, the rivalry is more extensive and diverse although the availability of variety in terms of having large and small surfaces means that brand loyalty and promotion is greater than in competitors on a smaller scale.

3. Substitute products

In this section we will analyse those products that could be a substitute for the products offered by our company. Mainly these would be own brand products (private label) since they are the ones that have provided more benefits in terms of sales, since their presence, quality and prices have been improved. DIA's main competing surfaces also have their own brands, so it is important to highlight and improve them since the threat of them replacing the products with others is very high.

4. Negotiation power of customers

As we know, customers are the most important part of any company, so it is important to build their loyalty and provide them with attributes that other food shops cannot offer. To do so, the company promotes, carries out discounts and other measures such as the loyalty card which also offers you gifts and more discounts. In this aspect the negotiation power of the clients is quite high since they have easy availability of products from the competition and we must differentiate ourselves and provide aspects that the competition cannot.

5. Negotiation power of suppliers

The number of suppliers in the food sector is high, so for each type of product the company has different suppliers, lowering its negotiating power and diversifying the risk that would be represented by concentrating on only one; it should also be added that DIA works with 88% of local suppliers and a total of 4687 worldwide.

4. Internal analyse

4.1. SWOT

At this point we will analyse the business strategy and the situation of the company with respect to its competitors, evaluating its capabilities and weaknesses as well as the threats and opportunities that it faces.

Weaknesses:

- Large reduction in staff and closure of establishments
- Uncertainty in the future of the company
- Technical bankruptcy
- Reduction in turnover

Strengths:

- Established loyalty
- Differentiated white mark
- Variety of suppliers
- Different types of establishments

- Variety of sales and distribution channels including online sales
- Presence in several countries.
- Differentiating factors such as its low price policy and large discounts.

Threats:

- High level of competition in the sector
- Political and economic instability both internally and externally
- Changes in consumer habits
- Changes in taxation and legality

Opportunities:

- Increase in household final consumption
- Increase in online sales volume
- Increased sales of private labels
- New markets for organic and healthy food

The knowledge of the internal and external characteristics of the company will allow us to make decisions when determining the strategic plan of the company, and thus be able to better cope with the threats that are presented and cover the weaknesses correctly.

5. Analysis of the economic structure

5.1. Asset composition

| | 2018 | 2017 | 2016 | %H2018 |
|-------------------------------------------------|------------------|------------------|------------------|------------|
| ACTIVO NO CORRIENTE | 1.414.331 | 1.554.641 | 1.573.699 | -9% |
| Inmovilizado intangible | 69.375 | 81.262 | 83.852 | -15% |
| Inmovilizado material | 508.224 | 524.754 | 569.806 | -3% |
| Inversiones inmobiliarias | 0 | 0 | 0 | 0% |
| Inversiones en empresas del grupo y asoci. a LP | 728.331 | 761.953 | 732.807 | -4% |
| Inversiones financieras a LP | 25.831 | 25.190 | 23.648 | 3% |
| Activos por impuesto diferido | 38.347 | 108.534 | 110.796 | -65% |
| Deudores comerciales no corrientes | 44.223 | 52.948 | 52.790 | -16% |
| ACTIVO CORRIENTE | 1.090.420 | 1.069.881 | 1.092.962 | 2% |
| Activos no corrientes mantenidos para la venta | 11.768 | 10.013 | 0 | 18% |
| Mercaderías | 212.574 | 185.726 | 237.422 | 14% |
| Resto de existencias | 9.070 | 8.767 | 8.803 | 3% |
| Clientes | 360.168 | 331.141 | 343.014 | 9% |
| Resto de deudores comerciales | 49.559 | 50.951 | 84.011 | -3% |
| Inversiones en empresas del grupo y asoci. a CP | 375.013 | 312.490 | 245.880 | 20% |
| Inversiones financieras a CP | 2.816 | 11.775 | 10.638 | -76% |
| Periodificaciones a corto plazo | 385 | 407 | 645 | -5% |
| Efectivo y otros activos líquidos equivalentes | 69.067 | 158.611 | 162.549 | -56% |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL ACTIVO | 2.504.751 | 2.624.522 | 2.666.661 | -5% |

Table 2: Assets Balance 2018 Source: Authors' own creation.

As we can see in the previous table, which is made up of data taken from the company's balance sheet, among the highest variations in assets in the last period we find short-term financial investments with a 76% difference downwards, mostly coming from its holdings in the company *Ecoembalajes* and from the loans granted to its personnel at market interest rates. However, it should be noted that this item is not particularly relevant since it represents a very low percentage of total assets.

At 31 December 2018, the Company had recognised property, plant and equipment amounting to EUR 508,224 thousand relating to refurbishment and conversion work and the opening of new store formats, and investments in group companies amounting to EUR 728,331 thousand, including most notably the investment in Finland with the sale of 50% of the shares. All of this indicates that the Group is especially linked to its

associated companies, which means that in addition to the company's normal financial results, we must emphasize and observe in detail the financial aspects and results of the balance sheet.

Another interesting item to review are the Customers, which represent 14% of the company's total assets, and which include the vast majority of debts to be collected from franchisees and concessionaires for the sale of merchandise.

6. Analysis of the financial structure

6.1. Composition of shareholders' equity

| | 2018 | 2017 | 2016 | %H2018 |
|---------------------------------------------|------------------|------------------|------------------|------------|
| PATRIMONIO NETO | -98.828 | 254.452 | 300.553 | -139% |
| Capital | 62.246 | 62.246 | 62.246 | 0% |
| Prima de emisión | 0 | 0 | 0 | 0% |
| Reservas | 78.956 | 152.495 | 75.662 | -48% |
| Resultados de ejercicios anteriores | 0 | 0 | 0 | 0% |
| Resultado | -191.274 | 88.898 | 207.385 | -315% |
| Resto del patrimonio neto | -48.756 | -49.187 | -44.740 | -1% |
| PASIVO NO CORRIENTE | 964.090 | 993.029 | 1.094.337 | -3% |
| Provisiones a LP | 28.356 | 23.288 | 25.521 | 22% |
| Deudas a LP | 918.075 | 954.657 | 1.048.106 | -4% |
| Deudas con empresas del grupo y asoci. a LP | 0 | 0 | 0 | 0% |
| Pasivos por impuesto diferido | 17.659 | 15.084 | 20.710 | 17% |
| Periodificaciones a LP | 0 | 0 | 0 | 0% |
| Acreedores comerciales no corrientes | 0 | 0 | 0 | 0% |
| PASIVO CORRIENTE | 1.639.489 | 1.377.041 | 1.271.771 | 19% |
| Pasivos vinculados con ANCMV | 0 | 0 | 0 | 0% |
| Provisiones a CP | 4.344 | 1.271 | 882 | 242% |
| Deudas a CP | 640.915 | 172.135 | 83.219 | 272% |
| Deudas con empresas del grupo y asoci. a CP | 65.040 | 87.758 | 48.361 | -26% |
| Proveedores | 796.545 | 969.522 | 983.078 | -18% |
| Resto de Acreedores comerciales | 132.057 | 145.644 | 155.396 | -9% |
| Periodificaciones a CP | 588 | 711 | 835 | -17% |
| TOTAL NETO Y PASIVO | 2.504.751 | 2.624.522 | 2.666.661 | -5% |

Table 3: Shareholders' Equity and Liabilities Balance Sheet 2018. Source: Authors' own creation

As we can clearly see in the balance sheet, current liabilities predominate in total liabilities and shareholders' equity with an upward variation of 19% with respect to the previous period.

Among the most relevant liability items in this case are long and short term debts, as well as debts with their suppliers of goods and services, items which we will relate in later sections with the debt ratio.

During the 3 periods the share capital amounted to 62,245,651.30 euros, represented by a total of 622,456,513 shares with a par value of 0.10 euros each, which are listed on the Spanish stock exchanges. In spite of this, in 2018 the company recorded negative equity, which leads us to the conclusion that the capital contributed by the shareholders, together with the reserves and profits from other periods, have been consumed due to the losses caused by the company's economic activity. In view of this serious situation, we must mention that in accordance with the Law on Capital Companies, when the losses reduce the net worth of the company to an amount less than half of the share capital, unless this is increased or reduced sufficiently, the company is in the process of being dissolved, and in this case the administrators must call the general meeting within a period of two months to adopt the resolution of dissolution or that which is necessary for the removal of the cause.

In accordance with this fact, the Company announced the signing of a Credit Agreement of up to 894.7 million euros, which included several working capital lines such as factoring or confirming, the majority of which mature in May 2019, and the Company also agreed to submit to the General Shareholders' Meeting a capital increase of 600 million euros in order to rebalance the equity.

Therefore, from the composition of the company's assets, we deduce that the assets are financed entirely by the company's creditors and in no amount by the company's equity.

6.2. Debt position

| | 2018 (1) | 2017 (2) | 2016 (3) |
|--------------------|-----------------|-----------------|-----------------|
| Debt | -2634% | 931% | 787% |
| Long-term debt | -9,76 | 3,90 | 3,64 |
| Short-term debt | -16,59 | 5,41 | 4,23 |
| Financial autonomy | -3,80% | 10,74% | 12,70% |

Table 4: Debt level. Source: Authors' own creation.



Graph 2: DIA's debt from 2018 to 2016. Source: Authors' own creation.

The debt ratio is used to find out the quantity and quality of the debt that the company has and to determine at what point it makes enough profit to be able to meet its financial burden.

It is intended to measure the intensity of the debt compared to the equity and to be able to reduce the degree of influence of third parties on the operation and permanent financial balance of the company.

The Company controls the capital structure based on the debt ratio of the Parent Company and its Group companies; this ratio is calculated as the ratio of total liabilities to equity. As we observe, the greatest variations come from short-term debt, with a difference of 22 points in a period, mostly caused by the refinancing of long-term debt in the short term. In addition, debt has also increased due to the decrease in working capital while maintaining high levels of capital investment and also maintaining dividend payments to shareholders.

In conclusion, the data of recent periods show that the company has borne too high levels of debt, which is clearly shown in the result of the debt ratio, which is mostly caused by the excess of losses compared to the company's equity, i.e. the company does not have its own financing and in each period the forecasts are getting worse.

7.Economic-financial analysis

7.1. Financial equilibrium

| | 2018 | 2017 | 2016 |
|---------------------|-----------|-----------|-----------|
| Current Asset | 1090.420 | 1.069.881 | 1.092.962 |
| Current liabilities | 1.639.489 | 1.377.041 | 1.271.771 |
| Permanent resources | 865.262 | 1.247.481 | 1.394.890 |
| Non current Assets | 1.414.331 | 1.554.641 | 1.573.699 |
| Working capital | -549.069 | -307.160 | -178.809 |

Table 5: Working capital. Source: Authors' own creation.

By means of an optimal financial balance the company will try to respond to its debts with the liquidity it has available. The working capital is constituted by the permanent financial resources of the company that remain after financing the non-current assets or fixed assets, in the case of the company DIA the results of this ratio are negative which means that in addition to the current assets there is part of the fixed assets that are financed with short term resources. What we observe is that the increase in current liabilities has been much greater than the small decrease in assets.

In other words, we are facing a situation of pronounced financial imbalance, related therefore as we have seen with the technical bankruptcy that society has triggered in the year 2018.

7.2. Liquidity situation

| | 2018 | 2017 | 2016 |
|--------------|--------|--------|--------|
| Liquidity | 66,5 % | 77,7 % | 85,9% |
| Acid test | 53,0% | 63,6% | 66,6% |
| Availability | 0,96 | 1,11 | 1,13 |
| Solvency | 4,38% | 12,37% | 13,62% |

Table 6: Liquidity. Source: Authors' Own creation.

This analysis will evaluate the company's capacity to make short-term payments. In this case the ratio is less than 1, that is to say, it would indicate to us, together with the negative working capital, that the company is in a situation of theoretical or technical suspension of payments, as we have already mentioned in previous sections. This led to several credit rating agencies downgrading the rating at various levels, which affected both its reputation and the quality and availability of financing. In order to avoid this negative impact, the main financial institutions with which the Company operates signed

an agreement to maintain and re-establish financing lines, which was extended until December 2018.

Therefore, with the data obtained we can say that in recent periods the company's liquidity has been insufficient to meet its payments.

In this context we will continue to analyse the average periods of maturity.

| | 2018 | 2017 | 2016 |
|---------------------------|------|------|------|
| Medium Term Storage | 22 | 23 | 24 |
| Average collection period | 25 | 23 | 22 |
| Average payment period | 95 | 99 | 94 |
| Average ripening period | -48 | -53 | -49 |

Table 7: Average ripening period. Source: Authors' own creation.

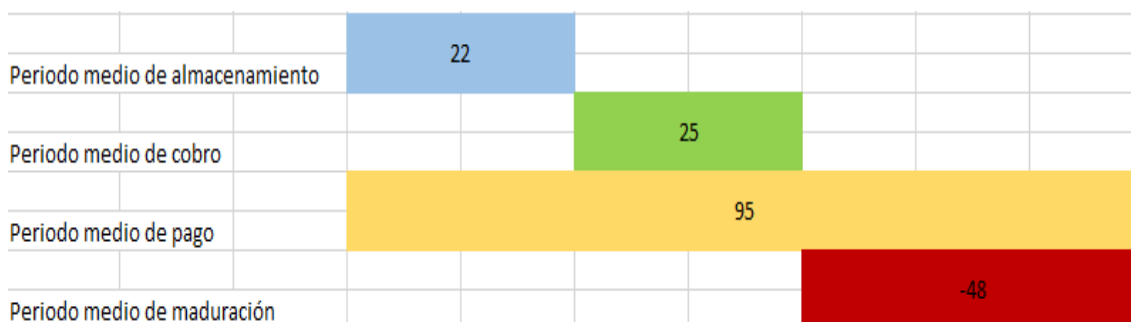


Figure 1: Average ripening period. Source: Authors' own creation.

We can see that the results of the maturation period during the 3 periods have been negative, mostly due to the length of the average payment periods, which allow the company to have an advantage between the time it takes to collect and the time it takes to pay, and we can state that in reality the suppliers finance the company's current assets during this period, i.e. they have 48 days to make the payment to the suppliers once they have sold and collected the product or service.

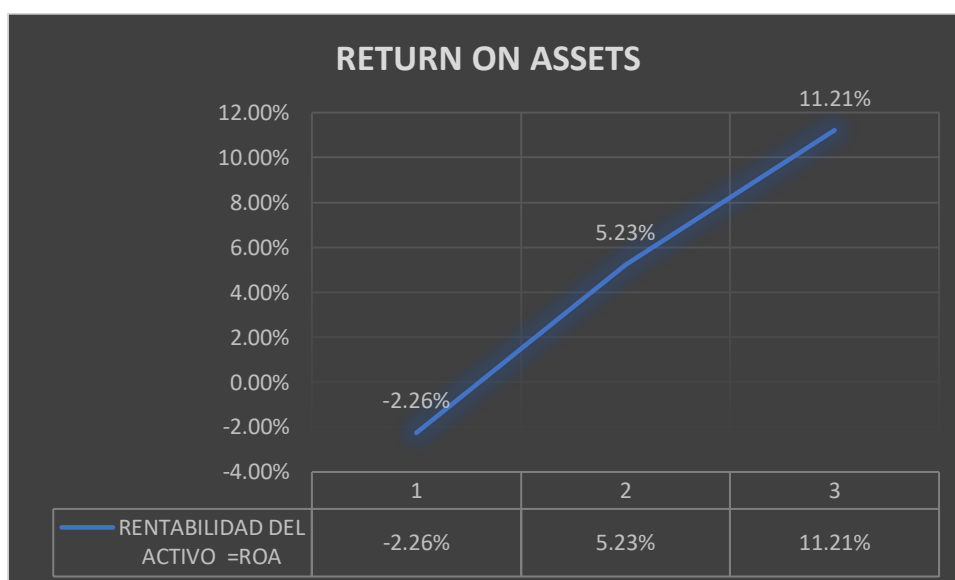
All this information leads back to the fact that the company's problem is not so much in its commercial exercise but rather in the financial investments it has made and their financing.

8.PROFITABILITY ANALYSIS

8.1. ROA

| | 2018 (1) | 2017 (2) | 2016 (3) |
|------------------|----------|----------|----------|
| RETURN ON ASSETS | -2.26% | 5.23% | 11.21% |

Table 8: ROA. Source: Authors' own creation



Graph 3: DIA's ROA from 2018 to 2016. Source: Authors' own creation.

Ratio that indicates the profitability of the assets, that is to say, it measures the capacity of the assets to produce profitability by themselves. It is calculated as the quotient between the pre-tax result and the financial expenses, divided by the total assets:

This ratio in turn is broken down into two, which will help us understand from which part of the company's structure the results come. The first part is the quotient between the result before interest and taxes plus the financial expenses and all divided by the turnover; this is the margin that will indicate the percentage of profit that we obtain for a monetary unit sold. In our case, although sales have decreased by 4.67% with respect

to 2017, we would highlight the increase in financial expenses as a component that its annual variation has made the ratio vary more.

The remaining part of the ROA is given by the ratio between the period's sales and the company's total assets, a result called turnover.

As we have already analysed, in 2018 turnover fell by 4.67% compared to the previous period, as did total assets by 4.56%. This results in a turnover ratio almost equal to that of the previous year, 1.63, i.e. the company earns 1.63 euros for every euro it has in assets. This tells us that in this aspect the company obtains profitability through its assets, therefore it tells us that even though profitability is obtained in terms of sales and assets, it disappears when we take into account the pre-tax result and financial expenses.

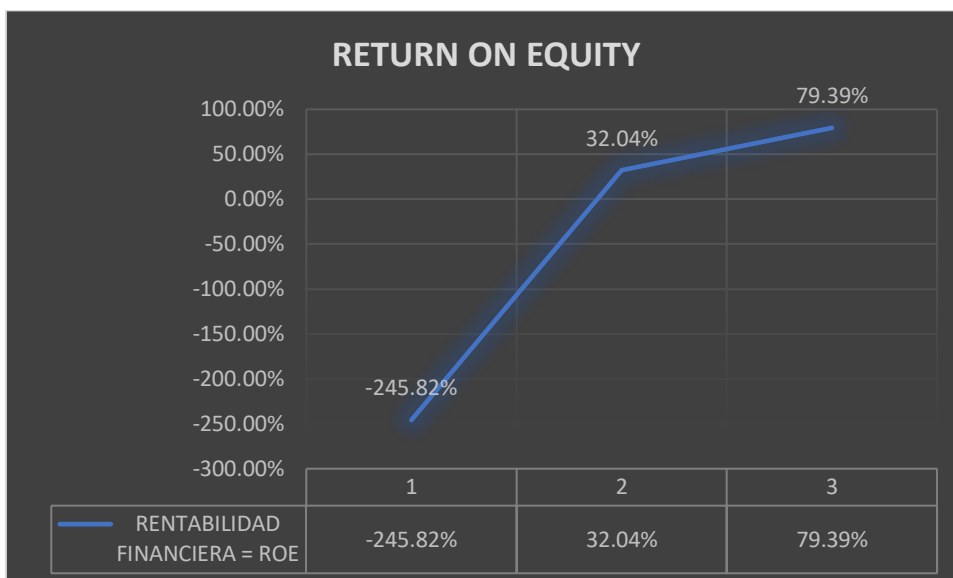
The results that we have obtained from the ROA ratio in the following periods indicate a decrease in the ratio of 120.16% in 3 periods, reaching the most recent period with a result of -2.26% (for each euro invested in the assets a little more than two cents of a euro has been lost) which refers to the fact that in addition to a significant increase in debt and financial expenses, the company invests capital and receives little income in return.

Therefore, as a brief summary, we confirm that the problems in the company's financial structure stem not so much from the company's normal activity, i.e. the sale and distribution of its products and services, but mostly from its inability to make a profit from its assets through its ordinary activity, that is is not using them efficiently.

8.2. ROE

| | 2018 (1) | 2017 (2) | 2016 (3) |
|------------------|----------|----------|----------|
| RETURN ON EQUITY | -245.82% | 32.04% | 79.39% |

Table 9: ROE. Source: Authors' own creation.



Graph 4: DIA’s ROE from 2018 to 2016. Source: Authors’ own creation.

This ratio determines the return of the investments produced by the shareholders to the company's assets, that is the profit or loss that the company's shareholders have obtained. An ROE that increases due to margin growth or turnover will indicate that it is growing for business reasons; if the growth is due to increased leverage it will indicate that the company has increased its financial risk.

We clearly observe that in the case of the company we are analysing, what has mainly caused such a drastic change in the result of the ROE has been the increase of its average debt which has derived in a negative result of -115.11% of financial leverage.

| | 2018 | 2017 | 2016 |
|----------------------|----------|--------|--------|
| Financial leverage | -115.11% | 37.75% | 90.53% |
| Average cost of debt | 1.34% | 0.81% | 0.88% |
| Average debt | 31.96 | 8.53 | 8.76 |

Table 10: Debt data. Source: Authors’ own creation.

In addition, we find that in addition to the negative results of the profitability of the assets, the average cost of the debt increases the losses per asset, that is, added to the 2.26 cents that we obtained from loss per euro invested in assets, we must add to this loss 1.34 cents more.

Therefore, the normal activity of the business has generated a negative profitability of 2.26%, and that when financed has generated a financial profitability of -245.82%.

9. Analysis of business development

| | 2018 | 2017 | 2016 | %H2018 |
|---------------------------------------------------|----------------|----------------|----------------|--------------|
| Importe neto de la cifra de negocio | 4.188.401 | 4.393.913 | 4.570.550 | -5% |
| Variacion de productos en curso y terminados | 0 | 0 | 0 | 0% |
| Trabajos realizados por la empresa para su activo | 3.576 | 5.219 | 5.071 | -31% |
| Aprovisionamientos | -3.422.709 | -3.559.612 | -3.630.238 | -4% |
| Otros ingresos de la explotacion | 258.246 | 274.587 | 245.738 | -6% |
| Gastos de personal | -440.782 | -427.259 | -451.711 | 3% |
| Otros gastos de la explotación | -420.187 | -403.730 | -384.077 | 4% |
| Amortizaciones | -124.205 | -120.253 | -119.567 | 3% |
| Imputaciones de subv. de inmov no financiero y | 243 | 363 | 676 | -33% |
| Exceso de provisiones | 0 | 0 | 0 | 0% |
| Deterioro y resultado por enajenacion de inmov | -57.468 | -9.386 | 6.064 | 512% |
| Ingresos y gastos excepcionales | 0 | 0 | 0 | 0% |
| RESULTADO DE LA EXPLOTACIÓN | -14.885 | 153.842 | 242.506 | -110% |

Table 11: Results of the operation. Source: Authors' own creation.

Among the most noteworthy figures in the breakdown of the operating result, we find a significant decrease of 5% in the net turnover, together with other operating income. Personnel expenses have increased and the Clarel stake has deteriorated to its recoverable value.

We also observed a significant increase in impairment and results from the sale of fixed assets, given the deterioration of the stake in Beauty DIA. S.A. for an amount of 51.4 million euros, holdings which have been transferred to non-current assets held for sale.

Also in this period an impairment was carried out on the holding in Shanghai DIA Retail CO for an amount of 12.6 million euros

10. Analysis of productivity

Through this analysis we will try to observe the efficiency in which the company has used its resources in the production of the goods and services it offers, through the added value, which is expressed as the increase produced by the activity of a company in a given period.

The data we need to obtain the value-added ratio are:

| | 2018 | 2017 | 2016 |
|---------------------------------------------------------------|------------|------------|------------|
| Amount of turnover | 4.188.401 | 4.391.714 | 4.570.550 |
| +Other operating income | 258.246 | 273.887 | 245.738 |
| +/-Change in stocks of finished products and work in progress | -35.967 | 53.410 | -21.288 |
| =Production value | 4.410.680 | 4.719.011 | 4.795.000 |
| - Provisions | -3.422.709 | -3.562.830 | -3.630.238 |
| -Other operating expenses | -420.187 | -403.730 | -384.077 |
| =Added value of factor cost | 567.784 | 752.451 | 780.630 |

Table 12: Added value. Source: Authors' own creation.

In order to obtain the productivity, we will make the quotient between the result of the added value and the total of employees of each period to determine the added value of each worker.

| | 2018 | 2017 | 2016 |
|---------------------|---------|---------|---------|
| Added value | 567.784 | 752.451 | 780.630 |
| Number of employees | 15.069 | 15.015 | 15.466 |
| Output per employee | 37,67 | 50,11 | 50,47 |

Table 13: Added value. Source: Authors' own creation.

We can clearly see that the value added in the last period falls to almost half of the result of the previous period, mostly caused by the decrease in turnover and by variations in

stocks and products, that is, in variations in the value of production. These figures are intensified in the productivity per employee, since in the last period this has been reduced to practically half, i.e. one employee produces half with the resources available to him/her.

11. Comparison of the exit to the stock exchange until the takeover bid

Another important aspect of the company to highlight is its track record in the stock market, which began in 2011 after its exit from the primary market of 3.5 euros per share and with a valuation of about 2,180 million euros.

As we can see, for 7 years it has followed an orderly and stable trend, and it is from the period we are analysing (2018) when the price per share suffers a great fall and the company is expelled from the Ibex 35. In this period the share fell by 89.3% and marked a minimum closing price of 0.360 euros per share and a maximum of 4.612, and the suspension of the dividend distribution policy for 2019 was also announced. Uncertainty in payments led the company's large suppliers to start demanding advances, and the main banks financing DIA limited the confirming lines, a fact that led to the fall of the shares and their exit from the Spanish stock market index.



Graph 5: Share price evolution 2012-2020. Source: EL Economista

12. Conclusions

12.1. Industry comparison

As we have already analysed, Dia competes with different companies in the sector, although its main competitor is *Mercadona*, there are others which, although their market share is not so high, are still rivals of the company; we find in this section companies such as *Lidl*, *Eroski* or *Carrefour*.

In this case we have extracted data from *Mercadona's* accounts and balance sheet to make a comparison of the most important financial ratios and thus clarify the main differences between the company that leads the market and DIA.

Firstly the working capital data are:

| Working capital | 2018 | 2017 | 2016 |
|------------------|-------------|-------------|---------------|
| DIA | -549069 | -307160 | -178809 |
| <i>Mercadona</i> | 155.431.000 | 677.793.000 | 1.057.866.000 |

Table 14: DIA and *Mercadona* working capital. Source: Authors' own creation.

We observe that *Mercadona* obtains positive levels in the 3 periods, even with quite a few differences and decreases in the last period, therefore it maintains a positive degree of solvency by being able to finance its assets with the permanent resources it has available.

The EIS levels are negative as we have already analysed above, which means that in addition to current assets, part of the permanent assets are financed with short-term resources, i.e. it does not have sufficient permanent resources.

In the case of the company DIA the results of this ratio are negative which means that in addition to current assets there is part of the permanent asset that is financed with short-term resources. What we observe is that the increase in current liabilities has been much greater than the small decrease in assets.

Secondly, we will analyse the immediate liquidity available to companies:

| Immediate liquidity | 2018 | 2017 | 2016 |
|---------------------|--------|--------|---------|
| DIA | 4,38% | 12,37% | 13,62% |
| <i>Mercadona</i> | 80,61% | 93,17% | 106,46% |

Table 15: Liquidity DIA and *Mercadona*. Source Authors' own creation.

Below we will compare two of the most important economic ratios for analysing a company:

Return on assets (ROA):

| ROA | 2018 | 2017 | 2016 |
|------------------|--------|-------|--------|
| DIA | -2,26% | 5,23% | 11,21% |
| <i>Mercadona</i> | 8,40% | 4,68% | 9,51% |

Table 16: ROA DIA and *Mercadona*. Source: Authors' own creation.

We pay attention to the fact that during 2016 and 2017 DIA's asset profitability results have exceeded *Mercadona*'s, which means that during those periods the benefits the company obtained from the operation of the assets were greater than those of its main competitor. All of this has changed in the last financial year, as *Mercadona* has practically doubled its profitability, the vast majority of which has come from the gross margin with a percentage of 12.24%, and DIA's profitability has fallen to negative values, as we have previously analysed

Return on equity (ROE):

| ROE | 2018 | 2017 | 2016 |
|------------------|----------|---------|--------|
| DIA | -245,82% | 32,04 % | 79,39% |
| <i>Mercadona</i> | 13,60% | 7,86% | 16,35% |

Table 17: ROE DIA and *Mercadona*. Source: Authors' own creation.

We clearly observe that the results of this ratio are linked to the results of ROA; DIA has a worse economic profitability and in addition its levels of debt and a higher cost of debt, which in the case of *Mercadona* is 0 because it does not have external financing, which means that in this case the company is below its main competitor once again.

12.2. Final Conclusion

The year 2018 has undoubtedly not provided the best results for the company; events such as changes in the shareholding, the large losses that led DIA to technical bankruptcy, layoffs and closure of establishments have caused the company to decline in both its normal business and financial year.

Nevertheless, its stores have continued to work normally and to obtain net sales at the level of previous periods, thanks also to its international presence. In addition to all the data mentioned above, there are aspects that the company should emphasize and improve on in order to obtain better results in the future:

- Margins that are too precise: also due to high competition, but to differentiate in costs and prices the company must adjust them even more.
- Intense competition: Given that there are very competent and prosperous companies in the food sector in the Spanish market, and that in recent periods they have obtained greater market shares than DIA.
- Scarce customer service: the shops have never been characterised by their careful and innovative aspects, but personalised attention and priority for the customer has always been respected, but in recent times they have left the customers in the background, problems that have occurred above all in shops owned by franchisees

- Franchisees too independent: relations between the parent company and its franchisees have never been fully productive, despite the company's efforts to establish relationships with its strongest franchisees by establishing a dynamic model, where franchisees and human resources employees are brought together to identify the keys and best business practices. One in five franchises has closed its doors due to bankruptcy, which has harmed the company's results since they have not been able to collect the percentages of these, closing a total of 245 establishments.
- Little care in the aspect and in the marketing, as well as in aspects like the publicity, the properties of the shops, the aspect of the products in the shelves, the cleanliness, the order, even to emphasize the prices and the offers has remained in disuse.
- Too many types of shops and establishments that customers confuse; DIA Clarel, DIA Plaza, DIA MAX... etc has not highlighted or characterized enough any of the formats.
- In addition to all the above, we also found problems in the economic environment, as well as in international countries such as Argentina where the company operates.

Since the company opened its doors, it has been characterized as a local, affordable business aimed primarily at the lower middle class of society. Its years of expansion and renewal of both its commercial and economic structure have marked a before and after in the history of DIA, reaching the point of technical bankruptcy and seeing its exit from the Spanish stock market index, the Ibex 35.

As we have already analysed, its competitors at a national level are small, summarising them in 5 companies, although at a regional level this number is increasing. For the company this represents both threats and opportunities since, although it has rivalry, the market is small and its competitors known, although the market shares are unquestionably majority for *Mercadona*.

In the last periods of 2018 the company elaborated a 'Business Plan' to be carried out between 2019 and 2023, to transform the company mainly in Spain and based on the improvement of fresh products, of the perception of prices, to increase the assortment of brands and products, to improve the image of the brand and to innovate it as well as the products of own brand. All these measures will be carried out together with a restructuring of both the commercial and economic structures and its franchise model.

In addition to the logistical and commercial problems that we have observed throughout the business analysis and which have contributed to the decline in its sales, DIA has shown its weaknesses especially in the last period, although its financial problems have clearly not developed in a single financial year. Its insufficiency to meet payments from own resources and the need to rely on external resources has only made the financial and economic problems worse and reduced again into a need for funds and liquidity.

As we have already seen, the company has a structure that is too concentrated on financial assets, mostly on financial investments in the group, which it finances with external debt, and which in turn makes it impossible to increase reserves, which has a negative impact on its liquidity and availability for future years. All of this without forgetting that the company has obtained negative figures in its net worth, that is to say that everything it owes is greater than everything the company has, the worst possible situation for DIA and which triggered the technical bankruptcy of the company.

This financial structure tried to be saved by means of a capital increase of 500 million euros, proposed by *LetterOne Investment Holdings, S.A.* majority shareholder of Dia (74.82%) together with the formulation of a voluntary takeover bid with a price per share of 0.67 euros.

In conclusion, its financial structure is very weak, since it depends entirely on external financing, added to the various investments in other businesses that the company has made during its history as well as the enormous amounts it has invested in establishing new formats and new establishments in such a hurry, have caused both its image and its financial results in the period analysed to fall to levels that could possibly trigger consequences for many more periods.

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14. Glossary

SWOT: is a strategic planning technique used to help a person or organization identify strengths, weaknesses, opportunities, and threats related to business competition or project planning. It is designed for use in the preliminary stages of decision-making processes and can be used as a tool for evaluation of the strategic position of a city or organization. (Caves, R. W. (2004). *Encyclopedia of the City*)

Takeover bid: a takeover bid is a type of corporate action in which a company makes an offer to purchase another corporation. In a takeover bid, the company that makes the offer is known as the acquirer, while the subject of the bid is referred to as the target company. In takeover bids, the acquiring company generally offers cash, stock, or a combination of both. (Kenton, Will (2019). *Investopedia*)

GDP: Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of the country's economic health. (Chappelow, Jim (2020). *Investopedia*)

15. Annex
Balance sheet and Income Statement (2016-2018)

| Cuentas No Consolidadas | 31/12/2018 mil EUR | 31/12/2017 mil EUR | 31/12/2016 mil EUR |
|----------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| | 12 meses Favorable con incertidumbres Normal PGC 2007 | 12 meses Aprobado Normal PGC 2007 | 12 meses Aprobado Normal PGC 2007 |
| Activo | | | |
| A) Activo no corriente | 1.414.331 | 1.554.641 | 1.573.699 |
| I Inmovilizado intangible | 69.375 | 81.262 | 83.852 |
| 1. Desarrollo | 22.112 | 14.974 | 9.376 |
| 2. Concesiones | 107 | 126 | 235 |
| 3. Patentes, licencias, marcas y similares | 224 | 2.746 | 4.449 |
| 4. Fondo de comercio | 35.689 | 54.140 | 63.373 |
| 5. Aplicaciones informáticas | 10.086 | 7.436 | 4.409 |
| 6. Investigación | n.d. | n.d. | n.d. |
| 7. Propiedad intelectual | n.d. | n.d. | n.d. |
| 9. Otro inmovilizado intangible | 1.157 | 1.840 | 2.010 |
| II Inmovilizado material | 508.224 | 524.754 | 569.806 |
| 1. Terrenos y construcciones | 238.138 | 275.136 | 294.448 |
| 2. Instalaciones técnicas y otro inmovilizado material | 266.619 | 247.316 | 270.196 |
| 3. Inmovilizado en curso y anticipos | 3.467 | 2.302 | 5.162 |
| III Inversiones inmobiliarias | n.d. | n.d. | n.d. |
| 1. Terrenos | n.d. | n.d. | n.d. |
| 2. Construcciones | n.d. | n.d. | n.d. |
| IV Inversiones en empresas del grupo y asociadas a largo plazo | 728.331 | 761.953 | 732.807 |
| 1. Instrumentos de patrimonio | 720.331 | 760.953 | 731.807 |
| 2. Créditos a empresas | 8.000 | 1.000 | 1.000 |
| 3. Valores representativos de deuda | n.d. | n.d. | n.d. |
| 4. Derivados | n.d. | n.d. | n.d. |
| 5. Otros activos financieros | n.d. | n.d. | n.d. |
| 6. Otras inversiones | n.d. | n.d. | n.d. |
| V Inversiones financieras a largo plazo | 25.831 | 25.190 | 23.648 |
| 1. Instrumentos de patrimonio | 36 | 36 | 36 |
| 2. Créditos a terceros | 206 | 192 | 249 |
| 3. Valores representativos de deuda | n.d. | n.d. | n.d. |
| 4. Derivados | n.d. | n.d. | n.d. |
| 5. Otros activos financieros | 25.589 | 24.962 | 23.363 |
| 6. Otras inversiones | n.d. | n.d. | n.d. |

| | | | |
|------------------------------------------------------------------|-----------|-----------|-----------|
| VI Activos por impuesto diferido | 38.347 | 108.534 | 110.796 |
| VII Deudas comerciales no corrientes | 44.223 | 52.948 | 52.790 |
| B) Activo corriente | 1.090.420 | 1.069.881 | 1.092.962 |
| I Activos no corrientes mantenidos para la venta | 11.768 | 10.013 | n.d. |
| II Existencias | 221.644 | 194.493 | 246.225 |
| 1. Comerciales | 212.574 | 185.726 | 237.422 |
| 2. Materias primas y otros aprovisionamientos | 7.558 | 5.953 | 6.243 |
| a) Materias primas y otros aprovisionamientos a largo plazo | n.d. | n.d. | n.d. |
| b) Materias primas y otros aprovisionamientos a corto plazo | 7.558 | 5.953 | 6.243 |
| 3. Productos en curso | n.d. | n.d. | n.d. |
| a) De ciclo largo de producción | n.d. | n.d. | n.d. |
| b) De ciclo corto de producción | n.d. | n.d. | n.d. |
| 4. Productos terminados | n.d. | n.d. | n.d. |
| a) De ciclo largo de producción | n.d. | n.d. | n.d. |
| b) De ciclo corto de producción | n.d. | n.d. | n.d. |
| 5. Subproductos, residuos y materiales recuperados | n.d. | n.d. | n.d. |
| 6. Anticipos a proveedores | 1.512 | 2.814 | 2.560 |
| III Deudores comerciales y otras cuentas a cobrar | 409.727 | 382.092 | 427.025 |
| 1. Clientes por ventas y prestaciones de servicios | 44.529 | 50.994 | 49.288 |
| a) Clientes por ventas y prestaciones de servicios a largo plazo | n.d. | n.d. | n.d. |
| b) Clientes por ventas y prestaciones de servicios a corto plazo | 44.529 | 50.994 | 49.288 |
| 2. Clientes empresas del grupo y asociadas | 315.639 | 280.147 | 293.726 |
| 3. Deudores varios | 45.918 | 50.319 | 75.058 |
| 4. Personal | 786 | 505 | 612 |
| 5. Activos por impuesto corriente | 2.757 | 21 | 8.158 |
| 6. Otros créditos con las Administraciones Públicas | 98 | 106 | 183 |
| 7. Accionistas (socios) por desembolsos exigidos | n.d. | n.d. | n.d. |
| IV Inversiones en empresas del grupo y asociadas a corto plazo | 375.013 | 312.490 | 245.880 |
| 1. Instrumentos de patrimonio | n.d. | n.d. | n.d. |
| 2. Créditos a empresas | 65.000 | 40.000 | 30.000 |

| | | | |
|-------------------------------------------------------|-----------|-----------|-----------|
| 3. Valores representativos de deuda | n.d. | n.d. | n.d. |
| 4. Derivados | n.d. | n.d. | n.d. |
| 5. Otros activos financieros | 310.013 | 272.490 | 215.880 |
| 6. Otras inversiones | n.d. | n.d. | n.d. |
| V Inversiones financieras a corto plazo | 2.816 | 11.775 | 10.638 |
| 1. Instrumentos de patrimonio | n.d. | n.d. | n.d. |
| 2. Créditos a empresas | 23 | 51 | 191 |
| 3. Valores representativos de deuda | n.d. | n.d. | n.d. |
| 4. Derivados | 18 | n.d. | 123 |
| 5. Otros activos financieros | 2.775 | 11.724 | 10.324 |
| 6. Otras inversiones | n.d. | n.d. | n.d. |
| VI Periodificaciones a corto plazo | 385 | 407 | 645 |
| VII Efectivo y otros activos líquidos equivalentes | 69.067 | 158.611 | 162.549 |
| 1. Tesorería | 69.067 | 158.611 | 34.501 |
| 2. Otros activos líquidos equivalentes | n.d. | n.d. | 128.048 |
| Total activo (A + B) | 2.504.751 | 2.624.522 | 2.666.661 |
| Pasivo | | | |
| A) Patrimonio neto | -98.828 | 254.452 | 300.553 |
| A-1) Fondos propios | -99.113 | 254.053 | 299.735 |
| I Capital | 62.246 | 62.246 | 62.246 |
| 1. Capital escriturado | 62.246 | 62.246 | 62.246 |
| 2. (Capital no exigido) | n.d. | n.d. | n.d. |
| II Prima de emisión | n.d. | n.d. | n.d. |
| III Reservas | 78.956 | 152.495 | 75.662 |
| 1. Legal y estatutarias | 13.021 | 13.021 | 13.021 |
| 2. Otras reservas | 65.935 | 139.474 | 62.641 |
| 3. Reserva de revalorización | n.d. | n.d. | n.d. |
| 1. Reserva de capitalización | n.d. | n.d. | n.d. |
| IV (Acciones y participaciones en patrimonio propias) | -55.861 | -60.359 | -66.571 |
| V Resultados de ejercicios anteriores | n.d. | n.d. | n.d. |
| 1. Remanente | n.d. | n.d. | n.d. |
| 2. (Resultados negativos de ejercicios anteriores) | n.d. | n.d. | n.d. |
| VI Otras aportaciones de socios | n.d. | n.d. | n.d. |
| VII Resultado del ejercicio | -191.274 | 88.898 | 207.385 |
| VIII (Dividendo a cuenta) | n.d. | n.d. | n.d. |
| IX Otros instrumentos de patrimonio neto | 6.820 | 10.773 | 21.013 |
| A-2) Ajustes por cambios de valor | 13 | -55 | 92 |

| | | | |
|--------------------------------------------------------------------------|-----------|-----------|-----------|
| I Activos financieros disponibles para la venta | n.d. | n.d. | n.d. |
| II Operaciones de cobertura | 13 | -55 | 92 |
| III Activos no corrientes y pasivos vinculados, mantenidos para la venta | n.d. | n.d. | n.d. |
| IV Diferencia de conversión | n.d. | n.d. | n.d. |
| V Otros | n.d. | n.d. | n.d. |
| A-3) Subvenciones, donaciones y legados recibidos | 272 | 454 | 726 |
| B) Pasivo no corriente | | | |
| I Provisiones a largo plazo | 964.090 | 993.029 | 1.094.337 |
| 1. Obligaciones por prestaciones a largo plazo al personal | 28.356 | 23.288 | 25.521 |
| 2. Actuaciones medioambientales | 1.660 | 1.655 | 1.489 |
| 3. Provisiones por reestructuración | n.d. | n.d. | n.d. |
| 4. Otras provisiones | n.d. | n.d. | n.d. |
| II Deudas a largo plazo | 26.696 | 21.633 | 24.032 |
| 1. Obligaciones y otros valores negociables | 918.075 | 954.657 | 1.048.106 |
| 2. Deudas con entidades de crédito | 590.410 | 892.570 | 794.652 |
| 3. Acreedores por arrendamiento financiero | 296.374 | 28.413 | 218.374 |
| 4. Derivados | 17.260 | 20.871 | 24.002 |
| 5. Otros pasivos financieros | n.d. | n.d. | n.d. |
| III Deudas con empresas del grupo y asociadas a largo plazo | 14.031 | 12.803 | 11.078 |
| IV Pasivos por impuesto diferido | n.d. | n.d. | n.d. |
| V Periodificaciones a largo plazo | 17.659 | 15.084 | 20.710 |
| VI Acreedores comerciales no corrientes | n.d. | n.d. | n.d. |
| VII Deuda con características especiales a largo plazo | n.d. | n.d. | n.d. |
| C) Pasivo corriente | | | |
| I Pasivos vinculados con activos no corrientes mantenidos para la venta | 1.639.489 | 1.377.041 | 1.271.771 |
| II Provisiones a corto plazo | n.d. | n.d. | n.d. |
| 1. Provisiones por derechos de emisión de gases de efecto invernadero | 4.344 | 1.271 | 882 |
| 2. Otras provisiones | n.d. | n.d. | n.d. |
| III Deudas a corto plazo | 4.344 | 1.271 | 882 |
| 1. Obligaciones y otros valores negociables | 640.915 | 172.135 | 83.219 |
| | 311.371 | 6.021 | 5.587 |

| | | | |
|-------------------------------------------------------------------------------|------------|------------|------------|
| 2. Deudas con entidades de crédito | 275.552 | 135.732 | 53.513 |
| 3. Acreedores por arrendamiento financiero | 7.671 | 8.597 | 9.188 |
| 4. Derivados | n.d. | 73 | n.d. |
| 5. Otros pasivos financieros | 46.321 | 21.712 | 14.931 |
| IV Deudas con empresas del grupo y asociadas a corto plazo | 65.040 | 87.758 | 48.361 |
| V Acreedores comerciales y otras cuentas a pagar | 928.602 | 1.115.166 | 1.138.474 |
| 1. Proveedores | 563.785 | 900.458 | 978.491 |
| a) Proveedores a largo plazo | n.d. | n.d. | n.d. |
| b) Proveedores a corto plazo | 563.785 | 900.458 | 978.491 |
| 2. Proveedores, empresas del grupo y asociadas | 232.760 | 69.064 | 4.587 |
| 3. Acreedores varios | 73.282 | 69.248 | 77.449 |
| 4. Personal (remuneraciones pendientes de pago) | 22.341 | 19.169 | 21.287 |
| 5. Pasivos por impuesto corriente | n.d. | 2.917 | 9.311 |
| 6. Otras deudas con las Administraciones Públicas | 35.235 | 53.491 | 46.514 |
| 7. Anticipos de clientes | 1.199 | 819 | 835 |
| VI Periodificaciones a corto plazo | 588 | 711 | 835 |
| VII Deuda con características especiales a corto plazo | n.d. | n.d. | n.d. |
| Total patrimonio neto y pasivo (A + B + C) | 2.504.751 | 2.624.522 | 2.666.661 |
| Cuenta de pérdidas y ganancias | | | |
| A) Operaciones continuadas | | | |
| 1. Importe neto de la cifra de negocios | 4.188.401 | 4.393.913 | 4.570.550 |
| a) Ventas | 4.044.560 | 4.248.775 | 4.432.893 |
| b) Prestaciones de servicios | 143.841 | 145.138 | 137.657 |
| c) Ingresos de carácter financiero de las sociedades holding | n.d. | n.d. | n.d. |
| 2. Variación de existencias de productos terminados y en curso de fabricación | n.d. | n.d. | n.d. |
| 3. Trabajos realizados por la empresa para su activo | 3.576 | 5.219 | 5.071 |
| 4. Aprovisionamientos | -3.422.709 | -3.559.612 | -3.630.238 |
| a) Consumo de mercaderías | -3.362.202 | -3.503.807 | -3.573.390 |
| b) Consumo de materias primas y otras materias consumibles | -17.860 | -14.883 | -15.714 |
| c) Trabajos realizados por otras empresas | -39.812 | -41.043 | -40.748 |

| | | | |
|----------------------------------------------------------------------------------------|----------|----------|----------|
| d) Deterioro de mercaderías, materias primas y otros aprovisionamientos | -2.835 | 121 | -386 |
| 5. Otros ingresos de explotación | 258.246 | 274.587 | 245.738 |
| a) Ingresos accesorios y otros de gestión corriente | 257.676 | 273.848 | 245.091 |
| b) Subvenciones de explotación incorporadas al resultado del ejercicio | 570 | 739 | 647 |
| 6. Gastos de personal | -440.782 | -427.259 | -451.711 |
| a) Sueldos, salarios y asimilados | -347.749 | -336.488 | -360.444 |
| b) Cargas sociales | -93.039 | -90.602 | -91.000 |
| c) Provisiones | 6 | -169 | -267 |
| 7. Otros gastos de explotación | -420.187 | -403.730 | -384.077 |
| a) Servicios exteriores | -393.203 | -385.652 | -369.803 |
| b) Tributos | -8.556 | -9.972 | -9.360 |
| c) Pérdidas, deterioro y variación de provisiones por operaciones comerciales | -11.689 | -3.217 | -309 |
| d) Otros gastos de gestión corriente | -6.739 | -4.889 | -4.605 |
| e) Gastos por emisión de gases de efecto invernadero | n.d. | n.d. | n.d. |
| 8. Amortización del inmovilizado | -124.205 | -120.253 | -119.567 |
| 9. Imputación de subvenciones de inmovilizado no financiero y otras | 243 | 363 | 676 |
| 10. Excesos de provisiones | n.d. | n.d. | n.d. |
| 11. Deterioro y resultado por enajenaciones del inmovilizado | -57.468 | -9.386 | 6.064 |
| a) Deterioro y pérdidas | -56.658 | -6.534 | -4.630 |
| b) Resultados por enajenaciones y otras | -810 | -2.852 | 10.694 |
| c) Deterioro y resultados por enajenaciones del inmovilizado de las sociedades holding | n.d. | n.d. | n.d. |
| 12. Diferencia negativa de combinaciones de negocio | n.d. | n.d. | n.d. |
| 13. Otros resultados | n.d. | n.d. | n.d. |
| A1) Resultado de explotación (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11 + 12 + 13) | -14.885 | 153.842 | 242.506 |
| 14. Ingresos financieros | 25.088 | 23.032 | 45.831 |
| a) De participaciones en instrumentos de patrimonio | 20.891 | 19.651 | 40.966 |
| a) En empresas del grupo y asociadas | 20.891 | 19.651 | 40.966 |
| b) En terceros | n.d. | n.d. | n.d. |
| b) De valores negociables y otros instrumentos financieros | 4.197 | 3.381 | 4.865 |

| | | | |
|--------------------------------------------------------------------------------------------|----------|---------|---------|
| a) De empresas del grupo y asociadas | 1.222 | 829 | 1.246 |
| b) De terceros | 2.975 | 2.552 | 3.619 |
| c) Imputación de subvenciones, donaciones y legados de carácter financiero | n.d. | n.d. | n.d. |
| 15. Gastos financieros | -33.424 | -19.113 | -20.218 |
| a) Por deudas con empresas del grupo y asociadas | n.d. | n.d. | n.d. |
| b) Por deudas con terceros | -33.967 | -18.976 | -20.075 |
| c) Por actualización de provisiones | 543 | -137 | -143 |
| 16. Variación de valor razonable en instrumentos financieros | n.d. | n.d. | n.d. |
| a) Cartera de negociación y otros | n.d. | n.d. | n.d. |
| b) Imputación al resultado del ejercicio por activos financieros disponibles para la venta | n.d. | n.d. | n.d. |
| 17. Diferencias de cambio | 10 | 378 | 98 |
| 18. Deterioro y resultado por enajenaciones de instrumentos financieros | -68.112 | -38.870 | -2.446 |
| a) Deterioros y pérdidas | -70.092 | -38.870 | -2.446 |
| b) Resultados por enajenaciones y otras | 1.980 | n.d. | n.d. |
| 19. Otros ingresos y gastos de carácter financiero | n.d. | n.d. | n.d. |
| a) Incorporación al activo de gastos financieros | n.d. | n.d. | n.d. |
| b) Ingresos financieros derivados de convenios de acreedores | n.d. | n.d. | n.d. |
| c) Resto de ingresos y gastos | n.d. | n.d. | n.d. |
| A2) Resultado financiero (14 + 15 + 16 + 17 + 18 + 19) | -76.438 | -34.573 | 23.265 |
| A3) Resultado antes de impuestos (A1 + A2) | -91.323 | 119.269 | 265.771 |
| 20. Impuestos sobre beneficios | -99.951 | -30.371 | -58.386 |
| A4) Resultado del ejercicio procedente de operaciones continuadas (A3 + 19) | -191.274 | 88.898 | 207.385 |
| B) Operaciones interrumpidas | | | |
| 21. Resultado del ejercicio procedente de operaciones interrumpidas neto de impuestos | n.d. | n.d. | n.d. |
| A5) Resultado del ejercicio (A4 + 20) | -191.274 | 88.898 | 207.385 |

