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FINANCIAL ANALYSIS OF THE OPERATION OF THE STATE/ PUBLIC ENTERPRISES 2015-2019

**FINANCIAL ANALYSIS
OF THE OPERATION
OF THE STATE/PUBLIC
ENTERPRISES
2015-2019**

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SUMMARY

Subject of the financial analysis was the 30 largest enterprises established by the state and the local self-government units. These are enterprises whose total revenues in 2019 amounted to MKD 44,992,939.558, or EUR 732 million. At the end of 2019 they employed a total of 22 140 employees. The analysis was conducted on the basis of five groups of financial indicators from the annual accounts of the enterprises for the period 2015-2019. These are indicators of profitability, efficiency, financial stability, cost-efficiency and liquidity of the enterprises.

The analysis detects the condition and the success in the operation of all 30 enterprises together and each of them separately. This is an extension of last year's analysis, the purpose of which is to summarize in one place the information on the financial operations of enterprises established by the state and local self-government units.

Part of the summary findings point to the following:

- 30 largest enterprises established by the state and local self-government in the period 2019-2015 increased the generated total revenues by only 2%.
- The average rate of profitability in the analysed 5-year period reached modest 6%, and in 2019, the profitability has seen a certain improvement (6.5%). The assets owned by these enterprises with such a profit would be restored in 38 years, whereas the invested and earned capital would be returned in 32 years. In the private sector, the period of return on invested capital is usually 10 years.
- Collection of receivables of the analysed companies is a weak link in their operation as it is 253 days in the 5-year period, i.e., 205 days in 2019. Such long collection deadlines are associated with occasional write-offs of receivables for financial reporting purposes.
- They pay their liabilities within even longer deadlines, in 484 days on average, i.e., 365 days in 2019. Usually in the business environment, companies with such long payment deadlines are avoided or, due to their payment deadlines, are offered significantly higher prices than the market prices.
- Creditworthiness shows that the total debts of the analysed enterprises are slightly higher than their capital and reserves, whereas the level of self-financing is in the safe zone (88% on average in 5 years, i.e. 91% in 2019).
- The analysed enterprises manage to achieve positive operation by fully covering their total expenses and generating revenue surplus of 4% (3% in 2019).
- The analysed enterprises have sufficient cash to cover their short-term liabilities.

Individual analysis was also conducted for all enterprises. The enterprises were ranked by the amount of their revenues generated in 2019. Part of the findings are presented below:

JSC Power Plants of North Macedonia, Skopje: The total revenues in 2019 are lower by approximately 21% compared to 2015. At the same time, the number of employees increased by 5% to 4 751 employees. However, the enterprise operates profitably as a result of the more cost-effective operation, in 2018 had the highest rate of profitability of 12.2% and in 2019 the profitability fell to only 1.5% (average of the 30 enterprises for 5 years: 6%).

PE for State Roads, Skopje: The number of employees in 5 years increased by 23% and at the same time the revenues also increased by 47%. The enterprise has a high profitability of average 34.8%, i.e. 33.6% for 2019 which is significantly above the average. The enterprise has improved its position in relation to the suppliers. It pays its liabilities in 228 days on average, but in 2019, this indicator was significantly better and it was even 43 days.

AD MEPSO, Skopje: The number of employees in 5 years increased by 26% and the revenues increased by 4.18%. During the 5-year period, the profitability of the enterprise is variable and mainly depends on the purchase price of the electricity in certain periods. The enterprise reached its highest profitability in 2015 (13.5%), and the lowest profitability in 2016 (3%), whereas the rate of profitability in 2019 amounted to 8.2%.

JSP Skopje: The sources of assets financing show that the enterprise has fully spent its own sources of financing which indicates that the company is owned by the creditors. Creditworthiness shows that the financial capabilities of the enterprise are weak and that the self-financing is negative.

PE Nacionalni Sumi, Skopje (National Forests): The number of employees in the 5-year period decreased by 4.5%, whereas the total revenues increased by as high as 838%. The enterprise manages to achieve positive operation by fully covering its total expenses and generating revenue surplus (2% in 2019). However, the financial revenues to financial expenses ratio is negative in view of the fact that the enterprise often borrows money from financial institutions for certain project related procurements.

PE Vodovod i Kanalizacija, Skopje (Water Supply and Sewerage): In 2019 the enterprise generated net profit, unlike in 2018 when it reported a loss in the amount of MKD 54,280,652 (EUR 883 thousand). It operated with loss in 2015 as well. The collection of the receivables has improved to 163 days in 2019. Unlike the collection, it paid its liabilities in the analysed period in 1.656 days on average, and in 2019 this deadline was 1,636 days.

Železnica RSM, Transport AD Skopje (Railways of RNM): The total revenues in 2018 are lower by 21% compared to 2019 and the number of employees decreased by 18.6%. The enterprise reports a continuous operational loss in the analysed 5-year period. The creditworthiness shows that the total debts of the enterprise are larger than its capital and reserves.

PE Komunalna Higijena, Skopje (Communal Hygiene): The total revenues in 2019 are higher by about 4.3% compared to the total revenues reported in 2015. At the same time, the number of employees increased by 4.2%. The collection of the receivables of the enterprise is in 80 days on average and the payment of the liabilities is in 74 days. The sources of assets financing by own resources are high, which show the financial stability of the enterprise.

JSC Post of North Macedonia, Skopje: The enterprise has reported a loss for a third consecutive year. Revenues decrease by 12.8% compared to the period between 2019 and 2015 and the decrease of the number of employees by 9.7% was not accompanied by an adequate decrease in the expenses.

PE for Maintenance and Protection of National and Regional Roads – Skopje: At the end of 2019, the company had principal capital, reserves and current income in the amount of MKD 132,662,916 and loss carried forward in the amount as high as MKD 760,391,147. The loss exceeds the capital and reserves by 6 times. At the end of 2019, the company's liabilities amounted to MKD 1,181,609,987 and they are more than 9 times higher than the company's capital and reserves. The company is "owned" by the creditors. The right solution for this condition is to rehabilitate the company.

AD M-NAV, Skopje: In 2019, the total revenues increased by 39.2% compared to 2015. In 2019, the number of employees was 300, which is an increase compared to 2015 (270 persons) by 11%. 88% of the assets owned by the enterprise are financed by own sources, whereas 12% of the owned assets were purchased at the expense of the suppliers (creditors).

National Radio Television, Skopje: The total revenues in 2019 are lower by 28% compared to 2015. In the same period, the number of employees decreased by 15%. The enterprise does not exercise sufficient cost control despite the reduction in the number of employees.

PE for Railway Infrastructure MZ, Skopje: The enterprise reports a continuous operational loss in the analysed 5-year period. The total loss amounts to MKD 2,756,329,216 (approximately EUR 44.8 million). 92% of the enterprise's assets are financed by own sources, whereas 8% of the owned assets were purchased at the expense of the suppliers (creditors).

Joint stock company for construction and management of residential premises and business premises of significance for the state, Skopje: The total revenues in 2019 are lower by 47.9% compared to 2015. At the same time, the number of employees increased from 317 in 2015 to 362 in 2019 (14%). The creditworthiness shows that the total debts of the enterprise are half of its capital and reserves (42% on average and 45% in 2019), and the level of self-financing is also poor (average 27%, i.e., 26% in 2019).

JSC Water Economy of the RNM, Skopje: The average rate of profitability of the enterprise of 8.7% is higher than the one of the analysed enterprises, which amounts to 6%. 24% of the assets owned by the enterprise were financed by own sources (only 6% in 2019), whereas 76% (94% in 2019) of the owned assets were purchased at the expense of the suppliers (creditors).

PE Parks and Greenery, Skopje: In three of the analysed four years, the enterprise has been operating with losses. Except for 2016, the loss in the other years is reported in a total amount of MKD 34,137,349 (EUR 555,000). At the same time the number of employees decreased by 5%. The financial revenues to financial expenses ratio is negative on average and amounts to - 92%.

PE for Utility Services Komunalac, Strumica: The enterprise operates with profits in the analysed period and it covers its total expenses with the total revenues, and generates a surplus of 3% in the analysed 5-year period. In the 5-year period, the enterprise collected the receivables within 449 days on average, i.e. 461 in 2019. The enterprise paid its liabilities during the analysed period in 437 days on average, and in 2019 this deadline was extended to 581 days. The enterprise has the highest percentage of increase in the number of employees of all 30 analysed companies for the 5 years, with a growth rate of 59.2% (from 240 employees in 2015 to 382 employees in 2019).

PE Ulici i Patista, Skopje (Streets and Roads): The total revenues of the PE Ulici i Patista, Skopje in 2019 are higher by 39.1% compared to the total revenues reported in 2015, and the number of employees increased by 14.3%. The enterprise's average rate of profitability is 10.9%. The enterprise collected the receivables in 202 days on average and paid the liabilities in 234 days on average.

PE National Broadcasting, Skopje: The enterprise's total revenues in 2019 are lower by 25.7% compared to 2015 and the number of employees decreased by 17.1%. However, the average rate of profitability of the enterprise is high and amounts to average 24.6% for the analysed period, and in 2018 it was even 36.0%. The company's profitability is several times higher than the profitability of the analysed enterprises.

Intermunicipal Public Enterprise PROAQUA, Struga: The enterprise was liquidated in 2019 and for the last year of this analysis it has not been taken into account. In the remaining four-year period, with the exception of 2018, it has suffered a net loss in all other years. In the period from 2015 to 2018, the total revenues of the enterprise had an upward trend (increased by 34.6%). In the same period, the enterprise reduced the number of employees by 7.3%. Only 10% of the enterprise's assets are financed by own sources, whereas the remaining 90% of the assets were purchased at the expense of the suppliers (creditors).

Public Utility Enterprise for Water Supply, Bitola: The total revenues in 2019 are higher by 8% compared to the total revenues reported in 2015. The enterprise has reported a loss in 2017 in the amount of MKD 26,316,409 (EUR 428,000). The number of employees in 2015 was 230 and it decreased to 215 in 2019; the number of employees decreased by 6.5%. The enterprise's average rate of profitability is low and amounts to only 0.3%.

Public Enterprise for Utility, Production and Services ISAR, Stip: The total revenues in 2019 are higher by approximately 2.3% compared to 2015. At the same time, the number of employees decreased by 1.8%. The creditworthiness shows that the total debts of the enterprise on average are insignificantly lower than its capital and reserves and amount to 97%, whereas the level of self-financing is in the safe zone with average 80% (80% in 2019).

PE Water Supply, Kumanovo: The profitability of the enterprise in the analysed period is variable. The enterprise generated the highest net profit in 2019, while in 2017 and 2018 it suffered a net loss. The enterprise is mainly financed by borrowing. Only 18% of the enterprise's assets are financed by own sources, whereas 82% of the assets were purchased at the expense of the suppliers (creditors). The enterprise's operation is not cost-effective. In the analysed period, the total revenues cover the total expenses and generate a surplus of insignificant 1%.

PE Strezevo, Bitola: The enterprise has been generating a net loss during all years that are subject of this analysis. The enterprise's operation is not cost-effective. It fails to cover the total expenses with the total revenues, i.e. -51% of the total expenses were not covered with the total revenues in the analysed period. This indicator in 2019 was -50%.

Gradski Trgovski Centar AD SKOPJE (CITY TRADE CENTRE): The enterprise's operation is not profitable. On average, in the analysed 5-year period, the enterprise has -13% of total expenses not covered by the total revenues. In 2019, this indicator has deteriorated and amounts to -16%. At the same time, the number of employees increased by 7.9% during the 5-year period. In view of the fact that GTC is financed by own funds and has low financial expenses, the enterprise's problem lies in the low operating revenues.

Public Utility Enterprise Tetovo: The enterprise reported a loss in three of the analysed years (from 2016 to 2018). The revenues in 2019 increased by 68.2% compared to 2015 and the number of employees decreased by 21.3%. The enterprise collected its receivables in 1 146 days on average, and paid its liabilities during the analysed period in 1.229 days on average.

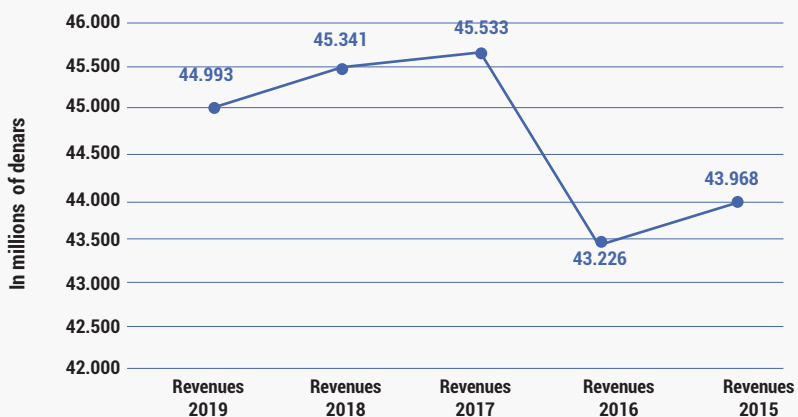
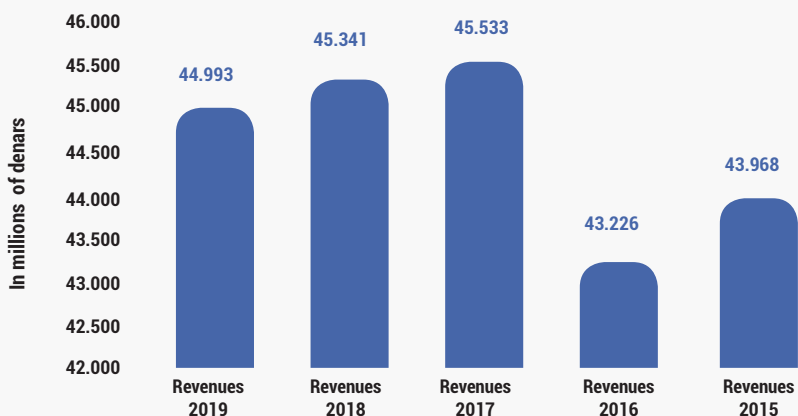
Public Utility Enterprise Water Supply, Kocani: The enterprise's operation in the analysed period was positive, generating 1% surplus in the analysed period of 5 years, and in 2019, the expenses were almost equal to the revenues. The enterprise collected its receivables in 473 days on average, and paid its liabilities during the analysed period in 160 days on average.

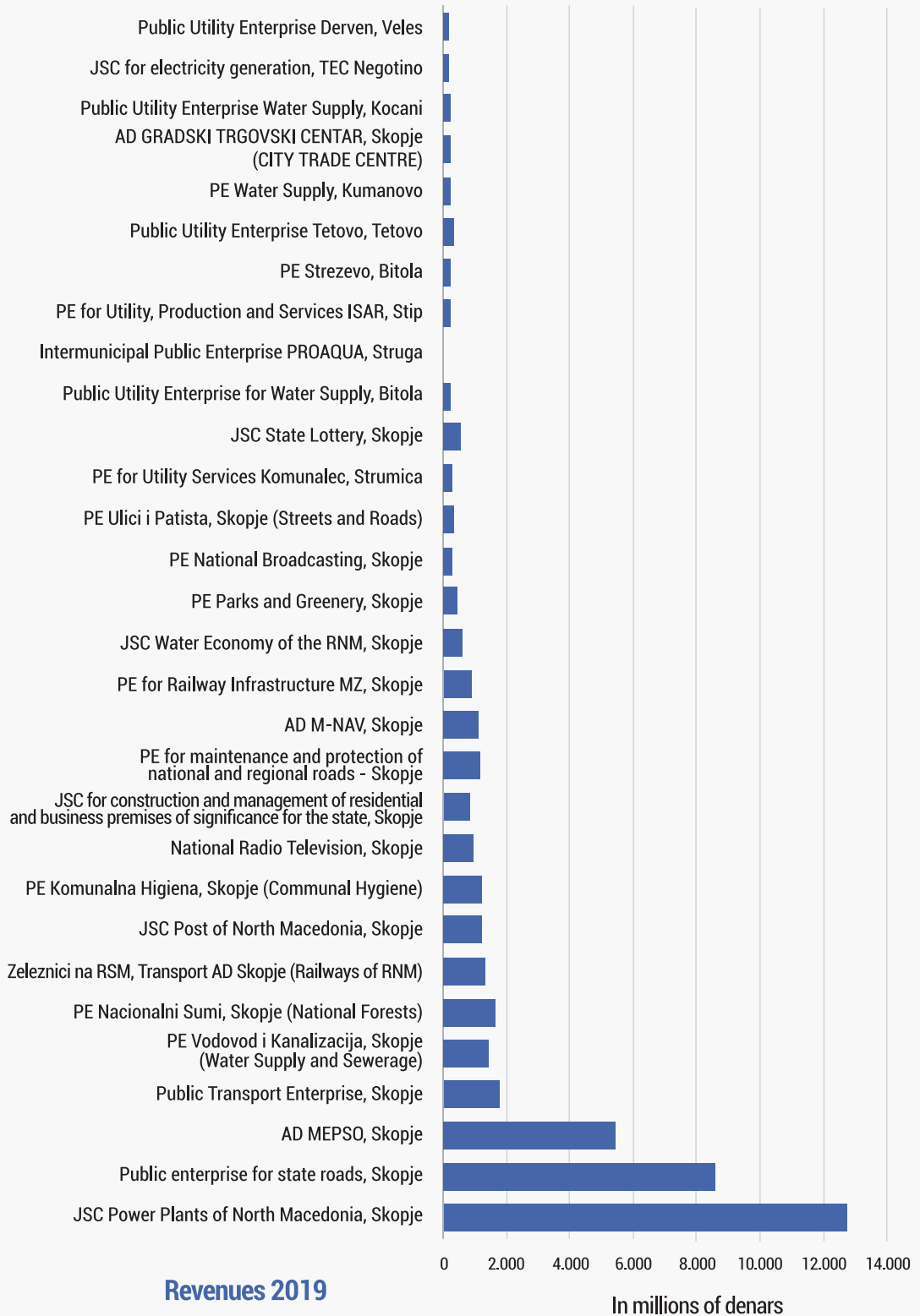
AD TEC, Negotino (Thermal Power Plant): The enterprise's operation in the analysed period was positive, generating 5% surplus in the analysed period. 99% of the enterprise's assets are financed by own sources, whereas 1% of the owned assets were purchased at the expense of the suppliers (creditors).

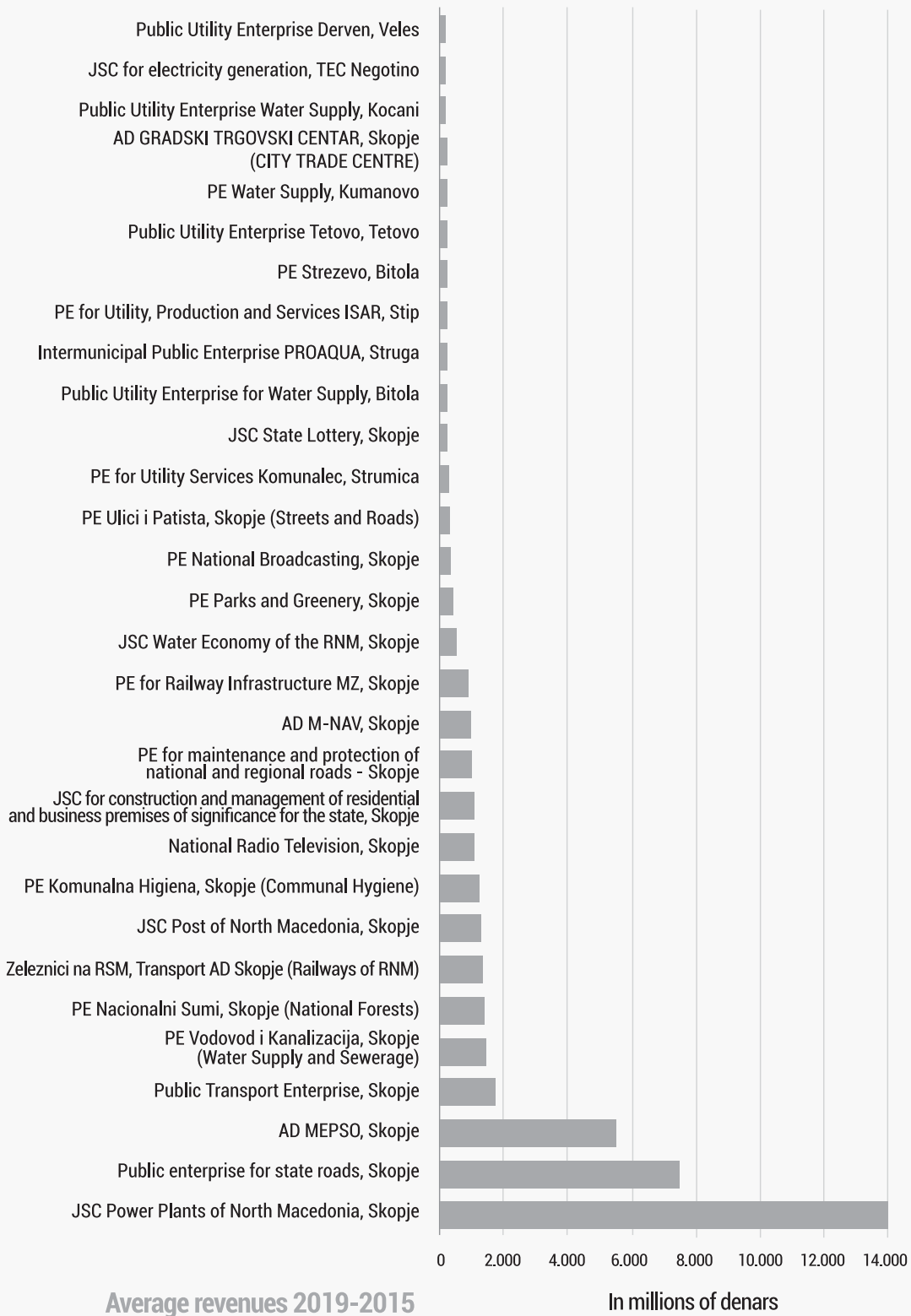
Public Utility Enterprise Derven, Veles: The enterprises reported a loss in 2018 and 2019, as well as a trend of stagnation in the total revenues (in 2019 the growth rate compared to 2015 is only 0.5%). In the analysed period, the number of employees decreased by 8.8%. The average rate of profitability in the analysed 5 years is 2.8%. The enterprise collected its receivables in 598 days on average, and paid its liabilities during the analysed period in 167 days on average.

JSC State Lottery, Skopje: In 2019, the total revenues of the enterprise increased by 322.3% compared to 2015. In the same period, the number of employees increased by 37.8%. The financial revenues to financial expenses ratio is very positive. The enterprise has a high liquidity. It has sufficient cash to cover the short-term liabilities (the average current ratio is 154%, i.e. 219% in 2019).

Total revenues of the 30 state / public enterprises by years







METHODOLOGICAL EXPLANATIONS

The methodology of the financial analysis is based on the annual accounts / financial statements of the enterprises prepared in accordance with the international financial reporting standards. The annual accounts / financial statements are static reports and by reading them information is obtained about past events. They are the backbone of financial reporting, but only together with the products of financial analysis (financial indicators and their relevant interpretation) will they become one body and emit dynamic information that, from the past to the present, will allow to perceive the future of the business entities. This transition from past events to future opportunities is provided precisely by the financial analysis.

Subject of this analysis was the annual accounts of the 30 largest state-owned enterprises (joint stock companies and public enterprises established by the state and the local self-government units).

For the purposes of this analysis, the Central Register of the Republic of North Macedonia was requested to calculate 17 selected financial indicators referred to in the published annual accounts of the 30 selected enterprises.

The indicators are selected on the basis of the Methodology for analysing the annual accounts (financial statements) of the public enterprises, the state-owned enterprises (JSC) and the enterprises owned by the units of local self-government, developed under this project.

The financial indicators were calculated from the submitted annual accounts, which due to their form, standardization and unification of the content and consequently the ability they provide for comparison of the data they contain, constitute the only comparable basis for this type of analyses.

The data obtained from the analysis detect the condition and the success in the operation of the enterprise.

Five groups of financial indicators were calculated according to the following list:

PROFITABILITY

- Ratio between the profit for the business year and the total revenues (%)
- Ratio between the profit for the business year and the total assets (%)
- Ratio between the profit for the business year and the capital and reserves (%)
- Profit for the business year per employee (in MKD)

EFFICIENCY

- Days inventory outstanding (integer): Ratio between the product of the value of the inventories and the number of days in the year, and the revenue from regular operation
- Days sales outstanding (integer): Ratio between the product of the value of the receivables and the number of days in the year, and the revenue from regular operation
- Days payable outstanding (integer): Ratio between the product of the value of the short-term liabilities and the number of days in the year, and the expenses from regular operation

FINANCIAL STABILITY

- Financial security: Share of the capital and reserves in the total liabilities (%)
- Level of creditworthiness: Ratio between the capital and reserves, the long-term provisions and the long-term liabilities, and the fixed assets (%)
- Level of self-financing: Ratio between the capital and reserves, the long-term provisions and the fixed assets and inventories (%)
- Level of indebtedness: Ratio between the total debts and the capital and reserves (%)

COST-EFFECTIVENESS

- Ratio between the operating revenues and expenses (%)
- Ratio between the financial revenues and financial expenses (%)
- Ratio between the regular and financial revenues and the regular and financial expenses (%)

LIQUIDITY

- **Quick ratio:** Ratio between the cash and securities and the short-term liabilities (%)
- **Current ratio:** Ratio between the current assets decreased by the inventories and short-term liabilities (%)
- **General liquidity:** Ratio between the current assets and short-term liabilities (%)

The ratios of items/positions are a useful tool by means of which the many links between the financial accounts, i.e. positions (line items) from the financial statements may be presented. They show one amount compared to another.

Overview – what the different categories of financial indicators show

Category	Description
<i>Efficiency (Activity)</i>	The activity ratios measure how efficiently a company can perform its day-to-day activities such as receivables collection and inventory management, i.e. asset management.
<i>Financial stability</i>	The financial stability ratios measure the financial strength based on own sources of financing relative to other parties' sources of funds.
<i>Cost-effectiveness</i>	The cost-effectiveness ratios measure the effects of the spent funds (incurred expenses)
<i>Liquidity / Solvency</i>	The liquidity ratios measure the ability of the enterprise to meet its short-term liabilities, i.e. to settle its long-term liabilities
<i>Profitability</i>	The profitability ratios measure the ability of a company to generate profit with the committed funds.

Efficiency / Activity ratios: The efficiency/activity ratios indicate how efficiently the enterprise's assets are used and are therefore often referred to as asset utilization (management) ratios. This category of ratios measures how successfully a business entity manages the various activities it runs, i.e., how it manages its assets. The activity ratios show whether the management of the working capital and the long-term assets is efficient. The efficient asset management has a direct effect on liquidity, therefore some activity ratios are also used to determine (measure) liquidity.

Financial stability ratios: The financial stability ratios indicate the financial strength of the enterprise, the sources of assets financing, own or from a third party, point to the level of self-financing and the level of creditworthiness.

Cost-effectiveness ratios: The cost-effectiveness ratios measure the effects of the spent funds (expenses incurred).

Liquidity/solvency ratios: The liquidity analysis is focused on the cash flows and it is aimed at defining the capability of the business entity to meet its short-term liabilities. The liquidity indicators measure how fast the funds can be turned (converted) into cash. The liquidity ratios point to the capability of a company to pay out its short-term liabilities. In the day-to-day business activities, liquidity management is achieved through an efficient use of the funds. Solvency constitutes the capability of a company to cover its long-term liabilities. In order to determine such capability, it is necessary to conduct a detailed analysis of the financial structure of the enterprise. The solvency ratios provide data pertaining to the relative amount of debts in the capital structure of the enterprise, as well as the capability to generate revenues and influx of cash flows with which the enterprise will be able to cover the interest and other fixed costs (rents, leasing, etc.).

Profitability ratios: The capability to generate profit from the invested capital is an important indicator of the enterprise's value and it is proportionate to the value of the securities that it issues. Therefore, many analysts focus their analyses on the indicators that measure the profitability of the enterprise. Profitability reflects the competitive position of a company, as well as the quality of its management. The statement of comprehensive income presents the revenue sources, as well as the cost components. The generated net profit, which is the last regular line item in the income statement, may be distributed to the partners or retained in the enterprise. The reinvested (retained) net profit improves the solvency and serves as a mitigator for any short-term problems.

AVERAGE FINANCIAL INDICATORS OF THE 30 ANALYSED ENTERPRISES (PERIOD:2015-2019)

Subject of the financial analysis comprised the 30 largest enterprises established by the state and the local self-government, of which:10 are joint stock companies established by the Government of the RNM, 6 are public enterprises established by the Government, 13 are public enterprises established by the local self-government units and 1 is a public enterprise established by the Assembly of the RNM.

At the end of 2019, the analysed 30 companies employed a total of 22,140 employees, which is a decrease of 4% compared to 2015. In the entire analysed period, the company with the largest number of employees is JSC Power Plants of North Macedonia, whereas the company with the highest growth in the number of employees in the five-year period is PE for Utility Services Komunalec - Strumica (the growth rate in 2019 compared to 2015 is 59%). The following is a detailed overview of the average annual number of employees for each of the 30 companies in the respective year.

An overview of the number of employees

Rank	Enterprise	Number of employees (2019)	% of growth	Number of employees (2018)	% of growth	Number of employees (2017)	% of growth	Number of employees (2016)	% of growth	Number of employees (2015)	% of change 2019-2015	Absolute growth
1	JSC Power Plants of North Macedonia, Skopje	4.751	-0,1%	4.754	-1,9%	4.847	0,8%	4.810	6,3%	4.527	4,9%	224
2	PE Nacionalni Sumi, Skopje (National Forests)	2.274	1,1%	2.250	1,4%	2.220	-6,4%	2.373	-0,4%	2.382	-4,5%	-108
3	JSC Post of North Macedonia, Skopje	2.054	-4,8%	2.157	-4,8%	2.265	1,3%	2.237	-1,6%	2.274	-9,7%	-220
4	PE Komunalna Higijena, Skopje (Communal Hygiene)	1.337	11,1%	1.203	-3,9%	1.252	-2,0%	1.277	-0,5%	1.283	4,2%	54
5	Public Transport Enterprise, Skopje	1.298	-2,0%	1.325	-6,7%	1.420	7,2%	1.325	-6,0%	1.410	-7,9%	-112
6	PE Vodovod i Kanalizacija, Skopje (Water Supply and Sewerage)	1.255	2,1%	1.229	4,1%	1.181	-3,2%	1.220	-1,1%	1.233	1,8%	22
7	PE for Railway Infrastructure MZ, Skopje	955	-4,9%	1.004	-8,1%	1.093	-8,0%	1.188	-2,9%	1.223	-21,9%	-268
8	Železnica RSM, Transport AD Skopje (Railways of RNM)	933	0,0%	933	-8,9%	1.024	-7,1%	1.102	-3,8%	1.146	-18,6%	-213
9	National Radio Television, Skopje	773	-5,5%	818	-3,2%	845	-2,3%	865	-4,6%	907	-14,8%	-134

10	PE for Maintenance and Protection of National and Regional Roads, Skopje	714	-6,5%	764	-3,3%	790	-3,4%	818	-4,1%	853	-16,3%	-139
11	AD MEPSO, Skopje	653	11,6%	585	2,3%	572	-0,3%	574	10,4%	520	25,6%	133
12	JSC Water Economy of the RNM, Skopje	539	-5,9%	573	19,4%	480	-4,0%	500	26,3%	396	36,1%	143
13	PE Parks and Greenery, Skopje	513	-10,3%	572	14,2%	501	-5,6%	531	-1,7%	540	-5,0%	-27
14	Public enterprise for state roads, Skopje	457	7,0%	427	9,2%	391	0,0%	391	5,1%	372	22,8%	85
15	PE for Utility Services Komualec, Strumica	382	-5,0%	402	14,9%	350	52,2%	230	-4,2%	240	59,2%	142
16	JSC for construction and management of residential premises and business premises of significance for the state, Skopje	362	2,0%	355	5,7%	336	-2,9%	346	9,1%	317	14,2%	45
17	PE for Utility, Production and Services ISAR, Stip	320	-4,8%	336	-2,3%	344	-0,6%	346	6,1%	326	-1,8%	-6
18	Public Utility Enterprise Derven, Veles	302	-7,6%	327	10,1%	297	-6,0%	316	-4,5%	331	-8,8%	-29
19	AD M-NAV, Skopje	300	4,2%	288	5,5%	273	0,4%	272	0,7%	270	11,1%	30

**FINANCIAL ANALYSIS
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20	PE Ulici i Patista, Skopje (Streets and Roads)	272	1,9%	267	0,0%	267	9,0%	245	2,9%	238	14,3%	34
21	PE Strezevo, Bitola	238	3,0%	231	-5,7%	245	-2,8%	252	-3,4%	261	-8,8%	-23
22	Public Utility Enterprise Water Supply, Kocani	227	-0,9%	229	4,6%	219	-0,5%	220	-2,2%	225	0,9%	2
23	PE Water Supply, Kumanovo	223	-5,9%	237	10,2%	215	-2,7%	221	-0,9%	223	0,0%	0
24	Public Utility Enterprise for Water Supply, Bitola	215	-1,4%	218	-5,2%	230	2,2%	225	-2,2%	230	-6,5%	-15
25	JSC for electricity generation, TEC Negotino	208	3,0%	202	2,0%	198	-5,3%	209	-4,1%	218	-4,6%	-10
26	AD GRADSKI TRGOVSKI CENTAR, Skopje (CITY TRADE CENTRE)	204	5,7%	193	5,5%	183	2,2%	179	-5,3%	189	7,9%	15
27	Public Utility Enterprise Tetovo, Tetovo	189	-6,9%	203	-5,1%	214	-7,0%	230	-4,2%	240	-21,3%	-51
28	PE National Broadcasting, Skopje	141	-2,1%	144	-10,0%	160	-3,0%	165	-2,9%	170	-17,1%	-29
29	JSC State Lottery, Skopje	51	2,0%	50	19,0%	42	2,4%	41	10,8%	37	37,8%	14
30	Intermunicipal Public Enterprise PROAQUA, Struga	0	-100,0%	455	-3,4%	471	-1,1%	476	-3,1%	491	-100,0%	-491
	Total number of employees	22.140	-2,6%	22.731	-0,8%	22.925	-1,1%	23.184	0,5%	23.072	-4,0%	-932

Overview of the net profit

Rank	Enterprise	Net profit / loss 2019	% of growth	Net profit / loss 2018	% of growth	Net profit / loss 2017	% of growth	Net profit / loss 2016	% of growth	Net profit / loss 2015	% of change 2019-2015	Absolute growth 2019-2015
1	Public Enterprise for State Roads	2.885.000.995	15,4%	2.499.257.805	-51,7%	5.178.880.138	150,9%	2.067.617.292	99,6%	1.035.873.313	178,5%	1.849.127.682
2	AD MPEŠO Skopje	445.774.821	13,0%	394.417.552	-43,3%	695.063.859	353,7%	153.183.421	-77,1%	669.921.879	-33,5%	-224.147.058
3	JSC State Lottery	306.963.525	50,6%	203.813.367	76,0%	1.115.799.308	265,1%	31.715.322	714,8%	3.892.549	7785,9%	303.070.976
4	JSC Power Plants of North Macedonia, Skopje	193.339.975	-88,4%	1.673.505.149	217,1%	527.772.171	-37,3%	842.279.166	105,4%	410.143.602	-52,9%	-216.803.627
5	PE National Broadcasting - Skopje	104.885.811	-20,2%	131.504.637	188,7%	45.551.124	-1,5%	46.230.979	-18,4%	56.669.796	85,1%	48.216.015
6	PUE Tetovo c.o. Tetovo	73.317.205	-69,6%	-12.290.534	-74,2%	-47.651.072	175,9%	-17.273.659	-126,5%	1.481.791	4847,9%	71.835.414
7	PE Vodovod i Kanalizacija - Skopje (Water Supply and Sewerage Skopje)	44.601.545	-182,2%	-54.280.652	-151,5%	105.347.132	2205,9%	4.568.681	-102,5%	-185.175.195	-124,1%	229.776.740
8	PE for Maintenance and Protection of National and Regional Roads, Skopje	43.758.505	119,0%	19.981.340	-54,5%	43.909.035	120,6%	19.900.965	-140,0%	-49.706.993	-188,0%	93.465.498
9	PE Ulici i Patista, Skopje (Streets and Roads)	30.057.272	-10,5%	33.574.833	-55,7%	75.713.593	6191,6%	1.203.400	-96,5%	34.715.615	-13,4%	-4.658.343
10	AD M-NAV Skopje	28.794.312	-81,8%	158.353.588	9,4%	1.44.786.334	676,0%	18.658.573	-80,1%	93.536.917	-69,2%	-64.742.605
11	PE Nacionalni Sumi, p.o. Skopje (National Forests)	24.753.431	54,0%	16.073.712	-76,3%	67.936.727	3203,5%	2.056.503	-97,1%	71.496.298	-65,4%	-46.742.867
12	PE Parks and Greenery - Skopje	14.747.715	-393,4%	-5.026.716	-63,0%	-13.595.788	-518,1%	3.251.475	-117,3%	-18.766.320	-178,6%	33.514.035
13	JSC for Production of Electricity Thermal Power Plant, Negotino	10.708.250	61,3%	6.636.804	62,7%	4.078.709	-56,9%	9.461.556	80,5%	5.243.036	104,2%	5.465.214
14	Joint stock company for construction and management of residential premises and business premises of significance for the state, Skopje	7.134.565	130,9%	3.089.737	-97,5%	1.22.805.591	48,9%	82.466.436	-59,6%	204.171.094	-96,5%	-197.036.529
15	PE for Utility Services Komunalec - Strumica	2.406.323	-44,9%	4.366.258	-60,9%	11.170.120	34,5%	8.307.692	41,5%	5.870.214	-59,0%	-3.463.891
16	Public Enterprise Water Supply Kumanovo with C.O. Kumanovo	944.692	-184,3%	-1.120.159	-23,3%	-1.460.954	-668,4%	257.028	-61,6%	669.876	41,0%	274.816
17	Public Enterprise for Utility, Production and Services ISAR PO Stip	238.095	-97,6%	9.805.340	-192,2%	-10.632.424	-258,6%	6.702.984	49,9%	4.472.843	-94,7%	-4.234.748
18	Public Utility Enterprise Water Supply, Kocani	167.977	20,7%	139.191	-74,0%	535.676	-88,5%	4.664.918	581,9%	684.078	-75,4%	-516.101
19	Public Utility Enterprise for Water Supply, Bitola	144.662	-91,4%	1.672.709	-106,4%	-26.316.409	-11548,5%	229.868	-79,4%	1.118.431	-87,1%	-973.769
20	JSC Water Economy of the Republic of North Macedonia	70.020	-99,3%	10.082.567	59,0%	6.342.437	-836%	38.759.952	-39,8%	64.425.216	-99,9%	-64.355.196
21	Inter- Municipal Public Enterprise for drinking water supply, drainage and treatment of wastewater and runoff waters of the municipalities of Ohrid and Struga and protection of Lake Ohrid – PROAQUA, Struga	0	-100,0%	15.570.379	-126,5%	-58.717.391	21,2%	-48.429.016	-4,4%	-50.647.895	-100,0%	50.647.895
22	Public Utility Enterprise Derven, Veles	-15.510.857	-0,3%	-15.562.092	-386,4%	5.434.114	-56,7%	12.552.729	41,5%	8.872.337	-274,8%	-24.383.194
23	Public Transport Enterprise Skopje	-16.878.679	-115,5%	109.074.320	49,5%	72.979.617	11,8%	65.260.231	-10,6%	72.979.617	-123,1%	-89.858.296
24	AD GRADSKI TRGOVSKI CENTAR - Skopje (City Trade Centre)	-34.349.185	32,7%	-25.892.922	-23,7%	-33.936.691	-2959,8%	1.186.680	-54,0%	2.582.291	-1430,2%	-36.931.476
25	JSC Post of North Macedonia	-65.157.702	-60,9%	-166.754.206	-9,7%	-184.566.099	-17759,3%	1.045.207	-78,9%	4.959.666	-1413,8%	-70.117.368
26	PE Komunalna Higijena, Skopje (Communal Hygiene)	-71.710.669	-422,7%	22.224.537	-71,2%	77.177.786	-41,0%	130.761.629	307,7%	32.075.399	-323,6%	-103.786.068
27	Public Enterprise Strezervo, Bitola	-221.016.293	-6,2%	-235.679.892	2,5%	-229.890.692	0,4%	-228.966.663	3,3%	-221.629.645	-0,3%	613.352
28	PE for Railway Infrastructure MZ - Skopje	-340.618.551	-9,4%	-375.827.928	-15,3%	-443.856.790	-10,3%	-494.702.046	0,7%	-491.264.129	-30,7%	150.645.578
29	Railways of the Republic of North Macedonia Transport AD - Skopje	-403.954.584	-16,1%	-481.450.368	-4,1%	-501.989.091	-27,1%	-688.315.382	-1551,5%	47.421.345	-951,8%	-451.375.929
30	National Radio Television - Skopje	-527.146.597	1925,8%	-26.021.894	-470,1%	7.030.752	-89,8%	68.701.666	32,9%	51.700.382	-1119,6%	-578.846.979
	Total	2.521.466.579	-35,6%	3.913.236.462	-32,0%	5.755.700.822	168,5%	2.143.337.587	14,8%	1.867.787.408	35,0%	653.679.171

Profitability

The 30 analysed enterprises have increased their revenues in the period 2015 – 2019 by 2.33%. The average rate of profitability in the analysed 5-year period reached modest 6%, and in 2019, the profitability has seen a certain improvement (6.5%).

If it is deemed that 10% is a satisfactory profitability level for enterprises from the private sector, it may be concluded that the analysed group of enterprises does not generate optimum profitability, even though their profitability is higher than the average interest contribution in the respective period. The reasons and possibilities for improvement of this synthetic indicator point to an increase in the revenues, i.e. a decrease in the costs (number of employees, non-productive procurements, etc.).

The assets owned by these enterprises with such a profit would be restored in 38 years, whereas the invested and earned capital would be returned in 32 years. In the private sector, the period of return on invested capital is usually 10 years.

Profitability indicators

Total revenue decline/growth index, ratio: 2019 compared to 2015	
Average rate of profitability of the enterprise	6.0 %
Average profitability in 2019	6.5 %
Average return on assets (ROA)	2.7 %
<i>With such dynamics, the enterprise would return the invested assets in</i>	38 years
Average return on equity (ROE)	3.2 %
<i>With such dynamics, the enterprise would return the invested capital in</i>	32 years

Efficiency

The enterprise sells its inventories on average in 61 days, and in 2019 in 64 days. The rapid disposal of inventories is a good asset management. These indicators are incomparable and depend on the nature of the enterprise's operation. Enterprises working with real estate (selling apartments, for example) have significantly longer deadlines for selling their inventories.

The collection of the receivables of the analysed enterprises is a weak link in their operation as it is 253 days in the 5-year period, i.e. 205 days in 2019. Such long collection deadlines are associated with occasional write-offs of receivables for financial reporting purposes.

On the other hand, the analysed enterprises pay their liabilities within even longer deadlines, in 484 days on average, i.e. 365 days in 2019. Usually in the business environment, enterprises with such a long payment deadlines are avoided or, due to their payment deadlines, are offered significantly higher prices than the market prices.

Efficiency indicators

2015-2019: Average days to sell the inventory	61 ден
Average days to sell the inventory in 2019	64 дена
2015-2019: Days sales outstanding	253 дена
Days sales outstanding in 2019	205 дена
2015-2019: Days payable outstanding	484 дена
Days payable outstanding in 2019	365 дена

Financial stability

The sources of assets financing show the financial stability of the enterprise. 55% of the assets owned by the analysed enterprises are financed by own sources (in 2019, this percentage is significantly improved and amounts to 91%), whereas 45% (in 2019, this percentage is also 45%) of the owned assets were purchased at the expense of the suppliers (creditors) and they are not paid yet.

The creditworthiness shows that the total debts of the analysed enterprises are slightly higher than their capital and reserves, whereas the level of self-financing is in the safe zone (88%, i.e. 91% for 2019).

Financial stability indicators

2015-2019: The enterprise finances its assets from own sources	55%
The enterprise finances its assets from own sources in 2019	91%
2015-2019: The remaining assets are financed by some form of borrowing	45%
The remaining assets are financed by some form of borrowing in 2019	45%
2015-2019: The average creditworthiness is	102%
The average creditworthiness in 2019 is	106%
2015-2019: The level of self-financing is	88%
The level of self-financing in 2019 is	91%

Cost-effectiveness

The analysed enterprises manage to achieve positive operation by fully covering their total expenses and generating revenue surplus of 4% (3% in 2019). This financial revenues to financial expenses ratio is disproportionately better, but not particularly important.

Cost-effectiveness indicators

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	4%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	3%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	113.461%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	100.780%
2015-2019: The enterprise covers the regular and financial total expenses with the total regular financial revenues and generates surplus/shortage	5%
The enterprise covers the regular and financial total expenses with the total regular financial revenues and generates surplus/shortage in 2019	6%

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The analysed enterprises have sufficient cash to cover their short-term liabilities (115%, i.e. 164%). This ratio is even better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 350% on average, i.e. 348% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the liquidity of the analysed enterprises.

Liquidity indicators

2015-2019: The average quick ratio is	115
The average quick ratio in 2019 is	164
2015-2019: The average current ratio is	350
The average current ratio in 2019 is	348
2015-2019: The average general liquidity is	445
The average general liquidity in 2019 is	446

**FINANCIAL ANALYSIS
OF 30 ENTERPRISES
OWNED BY THE STATE /
THE LOCAL SELF-GOVERNMENT
UNITS**

(ranked by the amount of the revenues generated in 2019)

JSC Power Plants of North Macedonia, Skopje

Year					
Total revenues by years	2019	2018	2017	2016	2015
	12,752,734,558	13,740,748,747	13,468,048,477	13,941,083,401	16,075,406,675

The total revenues of the **JSC Power Plants of North Macedonia Skopje** in 2019 are **lower** by approximately 21% compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	5.2	%
Average rate of profitability in 2019	1.5	%
2015-2019: Average return on assets (ROA)	3.8	%
With such dynamics, the company would return the invested assets in	26	years
2015-2019: Average return on equity (ROE)	2.0	%
With such dynamics, the company would return the invested capital in	49	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	65	days
Disposal (sales) of inventories in 2019	72	days
2015-2019: It collects its trade receivables on average in	185	days
Collection of trade receivables in 2019	62	days
2015-2019: It pays the trade payables on average in	341	days
Payment of trade payables in 2019	70	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	67	%
The enterprise finances its assets from own sources in 2019	81	%
2015-2019: The remaining assets are financed by some form of borrowing	33	%
The remaining assets are financed by some form of borrowing in 2019	19	%
2015-2019: The average creditworthiness is	109	%
The average creditworthiness in 2019 is	115	%
2015-2019: The level of self-financing is	87	%
The level of self-financing in 2019 is	97	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	9	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	2	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-78.6	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-54.0	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	7	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	2	%

Liquidity

2015-2019: The average quick ratio is	10	%
The average quick ratio is	20	%
2015-2019: The average current ratio is	151.6	%
The average current ratio in 2019 is	217.1	%
2015-2019: The average general liquidity is	212	%
The average general liquidity in 2019 is	308	%

Financial analysis – explanations

Profitability

Although the enterprise is one of the most profitable of all the companies analysed in this publication, it nevertheless shows a decline in total revenues year over year. It has generated the highest total revenues in 2015 (MKD 16 billion), and the lowest total revenues in 2019 (MKD 12.7 billion). The enterprise had the most profitable operation in 2018 with a rate of 12.2% (average of the 30 enterprises: 6%).

The average rate of profitability for the analysed 5-year period amounts to modest 5.2% and although the average profitability of this enterprise until 2018 was significantly higher than the average rate of profitability of the 30 analysed enterprises, with the inclusion of the year of 2019, the average rate of profitability of JSC Power Plants of North Macedonia is 0.8 pp lower than the average of the 30 enterprises.

The enterprise has a slight possibility of increasing the revenues in view of the fact that the price of the electricity is regulated and it cannot influence the natural resources on which the electricity production depends (rain, wind), with the exception of coal mining, and it cannot influence the sales volume due to the lack of electricity on the domestic market (with few exceptions when the sales is also made on foreign markets at higher prices than the domestic regulated prices). As a result, opportunities for improving the profitability can be sought after mainly in the cost reduction (the number of employees, non-productive procurements etc.)

The assets owned by the enterprise, with such a profit, would be restored in 26 years, which is better than the average (average of the 30 enterprises: 38 years) and the enterprise would return the invested and earned capital in 49 years, which is worse than the average (average of the 30 enterprises: 32 years).

The deteriorated result of the ROE coefficient stems from the enterprise's size, i.e. the amount of invested and earned capital of the enterprise. In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise sells its inventories in 65 days on average (the electricity cannot be stored as inventory, and therefore the enterprise's inventories consist of coal and part of other resources), and in 2019 they were sold in 72 days. These indicators are in the range of average, but an upward trend is evident in the days needed to "dispose" of the inventory year over year. The rapid disposal of inventories is a good asset management. These indicators are incomparable and depend on the nature of the enterprise's operation.

The collection of the company's receivables has a trend of significant improvement and it is 185 days on average in the 5-year period, i.e. 62 days in 2019. Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise.

The enterprise is improving its company image in front of the suppliers by paying its liabilities in the analysed period in 341 days on average, and in 2019, this deadline was reduced to only 70 days and it is significantly better than the average of the 30 analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 67% of the assets owned by the enterprise were financed by own sources (in 2019, this percentage was as high as 81%), whereas 33% (19% in 2019) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are slightly higher than its capital and reserves, whereas the level of self-financing is in the safe zone (87%, i.e., 97% for 2019).

Cost-effectiveness

The enterprise manages to achieve positive operation by fully covering its total expenses and generating 9% revenue surplus (2% in 2019). The financial revenues to financial expenses ratio is negative in view of the fact that the enterprise often borrows money from foreign and domestic banks for certain project related procurements.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor liquidity (cash) for covering the short-term liabilities (10%, i.e., 20%). This ratio is even better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 152% on average, i.e., 217% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

Public Enterprise for State Roads, Skopje

Year					
Total revenues by years	2019	2018	2017	2016	2015
	8,583,374,230	7,653,790,913	8,997,297,157	6,352,384,970	5,836,480,098

The total revenues of the **Public Enterprise for State Roads Skopje** in 2019 are higher by approximately 47% compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	34.8	%
Average rate of profitability in 2019	33.6	%
2015-2019: Average return on assets (ROA)	3.2	%
With such dynamics, the company would return the invested assets in	32	years
2015-2019: Average return on equity (ROE)	5.5	%
With such dynamics, the company would return the invested capital in	18	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	0	days
Disposal (sales) of inventories in 2019	0	days
2015-2019: It collects its trade receivables on average in	0	days
Collection of trade receivables in 2019	2	days
2015-2019: It pays the trade payables on average in	228	days
Payment of trade payables in 2019	43	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	58	%
The enterprise finances its assets from own sources in 2019	54	%
2015-2019: The remaining assets are financed by some form of borrowing	42	%
The remaining assets are financed by some form of borrowing in 2019	46	%
2015-2019: The average creditworthiness is	97	%
The average creditworthiness in 2019 is	95	%
2015-2019: The level of self-financing is	60	%
The level of self-financing in 2019 is	55	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	96	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	97	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	295.6	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-40.8	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	67	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	52	%

Liquidity

2015-2019: The average quick ratio is	56	%
The average quick ratio is	39	%
2015-2019: The average current ratio is	59.2	%
The average current ratio in 2019 is	46.1	%
2015-2019: The average general liquidity is	59	%
The average general liquidity in 2019 is	46	%

Financial analysis – explanations

Profitability

The enterprise has a high profitability of average 34.8%, i.e., 33.6% for 2019, which is significantly above the average (around 6 times) of the 30 analysed enterprises.

The assets owned by the enterprise would be restored in 32 years, and the invested and earned capital would be returned in 18 years, which is better than the average.

Efficiency

According to the official data from the Central Register of RNM, the enterprise's inventory turnover is zero. The accounts receivable turnover (days sales outstanding) indicator is also zero.

The enterprise has deteriorated its position in relation to the suppliers. It pays its liabilities in 228 days on average, but in 2019, this indicator was significantly improved and it was only 43 days.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 58% of the assets owned by the enterprise were financed by own sources (in 2019 it was 54%), whereas 42% (in 2018 it was 46%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are almost the same as its capital and reserves, whereas the level of self-financing is in the safe zone (97%, i.e., 95% in 2019).

Cost-effectiveness

The enterprise manages to achieve positive operation by fully covering its total expenses and generating as high as 96% revenue surplus (97% in 2019). The financial revenues to financial expenses ratio is positive by almost 3 times on average, whereas in 2019 it was negative by -41%, i.e., the enterprise has higher expenses for financing than the revenues generated from financing.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has cash to cover the short-term liabilities of 56%, i.e., 39% in 2019. This ratio is slightly better if the receivables are also included as assets that can close a short-term liability (by means of compensation), then the current ratio will amount to 59% on average, i.e., 46% in 2019. The general liquidity is identical to the current ratio.

AD MEPSO, Skopje

Year	2019	2018	2017	2016	2015
Total revenues by years	5,456,517,720	6,147,788,903	5,529,187,817	5,162,551,338	5,237,528,283

The total revenues of **AD MEPSO Skopje** in 2019 are **higher** by approximately 4.1% compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	8.7	%
Average rate of profitability in 2019	8.2	%
2015-2019: Average return on assets (ROA)	4.7	%
With such dynamics, the company would return the invested assets in	21	years
2015-2019: Average return on equity (ROE)	8.3	%
With such dynamics, the company would return the invested capital in	12	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	4	days
Disposal (sales) of inventories in 2019	4	days
2015-2019: It collects its trade receivables on average in	56	days
Collection of trade receivables in 2019	34	days
2015-2019: It pays the trade payables on average in	103	days
Payment of trade payables in 2019	42	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	59	%
The enterprise finances its assets from own sources in 2019	69	%
2015-2019: The remaining assets are financed by some form of borrowing	41	%
The remaining assets are financed by some form of borrowing in 2019	31	%
2015-2019: The average creditworthiness is	101	%
The average creditworthiness in 2019 is	112	%
2015-2019: The level of self-financing is	76	%
The level of self-financing in 2019 is	90	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	13	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	10	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-46.3	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-23.0	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	11	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	10	%

Liquidity

2015-2019: The average quick ratio is	110	%
The average quick ratio is	214	%
2015-2019: The average current ratio is	176.0	%
The average current ratio in 2019 is	288.8	%
2015-2019: The average general liquidity is	180	%
The average general liquidity in 2019 is	295	%

Financial analysis – explanations

Profitability

During the 5-year period, the profitability of the enterprise is variable and mainly depends on the purchase price of the electricity in certain periods. The enterprise had the highest profitability in 2015 (13.5%) and in 2017 (12.6%), the lowest in 2016 (3%), whereas the rate of profitability in 2019 was 8.2%, i.e., the average rate in the 5 years was 8.7% which is higher than the average of the 30 analysed enterprises (6.0%).

The enterprise has a slight possibility of increasing the revenues in view of the fact that the price of the electricity is regulated. There is a possibility to make procurements at lower prices from the main domestic supplier (ELEM) and from foreign suppliers, through the stock exchange, etc. In addition to the procurement of electricity, opportunities for improving the profitability can be sought after mainly in the cost reduction (the number of employees, non-productive procurements etc.)

The assets owned by the enterprise with such a profit would be restored in 21 years, which is better than the average (38 years) and the invested and earned capital would be returned in 12 years, which is significantly better than the average (32 years). The better result of the ROE coefficient stems from the satisfactory profits in relation to the not so large amount of invested capital (about EUR 55 million) and earned capital of the enterprise (also about EUR 55 million). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

As expected, in view of the fact that the enterprise sells electricity (which is not kept on stock), it sells its inventories in 4 days on average, and this indicator is the same for 2019 as well. The rapid disposal of the other inventories

(various goods, materials, waste and the like) is a good asset management. These indicators are incomparable and depend on the nature of the enterprise's operation.

The collection of the company's receivables has a trend of improvement and it is 56 days on average in the 5-year period, i.e., 34 days in 2019. Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise.

The enterprise is improving its company image in front of the suppliers by paying its liabilities in the analysed period in 103 days on average, and in 2019, this deadline was reduced to only 42 days.

All indicators in the efficiency category are far better than the average of the analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 59% of the assets owned by the enterprise were financed by own sources (in 2019 it was 69%), whereas 41% (in 2019 it was 31%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are slightly lower than its capital and reserves, whereas the level of self-financing is in the safe zone (76% on average, i.e., 90% for 2019).

Cost-effectiveness

The enterprise manages to achieve positive operation by fully covering its total expenses and generating 13% revenue surplus (in 2019 this indicator is 10%). The financial revenues to financial expenses ratio is negative in view of the fact that the enterprise often borrows money from foreign and domestic banks for certain project related procurements.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has high quick ratio (cash) for covering the short-term liabilities (100%, i.e., 214%). This ratio is even higher if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 176% on average, i.e. 289% in 2019. The enterprise could place the excess liquidity in short-term deposits which would improve the indicator for covering the financial expenses with financial revenues or alternatively to increase the level of financing with own resources, which would reduce the costs for borrowings and loans.

The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, additionally deteriorates the image about the enterprise's liquidity (180% on average, i.e., 295% in 2019).

Public Transport Enterprise, Skopje

Year					
Total revenues by years	2019	2018	2017	2016	2015
	1,787,321,183	1,858,687,165	1,683,279,720	1,544,732,307	1,850,176,672

The total revenues of the **Public Transport Enterprise, Skopje** in 2019 are **lower** by approximately **-3.4%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	3.6	%
Average rate of profitability in 2019	0.0	%
2015-2019: Average return on assets (ROA)	4.0	%
With such dynamics, the company would return the invested assets in	25	years
2015-2019: Average return on equity (ROE)	-41.4	%
With such dynamics, the company would return the invested capital in	-2	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	11	days
Disposal (sales) of inventories in 2019	9	days
2015-2019: It collects its trade receivables on average in	30	days
Collection of trade receivables in 2019	10	days
2015-2019: It pays the trade payables on average in	115	days
Payment of trade payables in 2019	120	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	-12	%
The enterprise finances its assets from own sources in 2019	-7	%
2015-2019: The remaining assets are financed by some form of borrowing	112	%
The remaining assets are financed by some form of borrowing in 2019	107	%
2015-2019: The average creditworthiness is	14	%
The average creditworthiness in 2019 is	13	%
2015-2019: The level of self-financing is	-16	%
The level of self-financing in 2019 is	-9	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	2	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-1	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	2,704.5	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	82.3	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	4	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-1	%

Liquidity

2015-2019: The average quick ratio is	98	%
The average quick ratio is	64	%
2015-2019: The average current ratio is	115.9	%
The average current ratio in 2019 is	84.5	%
2015-2019: The average general liquidity is	133	%
The average general liquidity in 2019 is	94	%

Financial analysis – explanations

Profitability

The enterprise's average rate of profitability of 3.6% in the 5-year period is lower than the one of the analysed enterprises, which amounts to 6.0%. According to the records of the Central Register of the Republic of North Macedonia, this indicators in 2019 amounted to 0 which means that the enterprise suffered a net loss in 2019.

The assets owned by the enterprise, with such a profit, would be restored in 25 years, which is better than the average of the 30 enterprises. However, in the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise predominantly provides services for transport of people and sells the inventories acquired in the course of the operation in 11 days on average, and in 2019 within 9 days.

The enterprise collected the receivables within 30 days on average for the 5-year period, i.e., within 10 days in 2019. The collection time of receivables is significantly better than the average.

Unlike the collection, the enterprise paid its liabilities in the analysed period in 115 days on average, and in 2019 this deadline was additionally increased to 120 days. The deadlines within which the liabilities are paid are better than the average, however they are high compared to the usual practise in the private sector.

Financial stability

The sources of assets financing show that the enterprise has fully spent its own sources of financing which indicates that the company is owned by the creditors.

Creditworthiness shows that the financial capabilities of the enterprise are weak and that the self-financing is negative.

Cost-effectiveness

In the analysed 5-year period, the enterprise covered the total expenses with the total revenues and generated a surplus of 2%, which is two times lower than the average of the 30 enterprises.

The financial revenues to financial expenses ratio is highly positive, however it had no significant impact on the improvement of the enterprise's condition.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has sufficient liquidity (cash) to cover the short-term liabilities (98% on average, i.e., 64% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 116% on average, i.e., 85% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

PE Nacionalni Sumi, Skopje (National Forests):

Year	2019	2018	2017	2016	2015
Total revenues by years	1,661,793,467	1,679,017,907	1,715,605,872	1,636,015,794	177,109,154

The total revenues of the **PE Nacionalni Sumi Skopje** in 2018 were **higher** by significant **838.3%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	2.1	%
Average rate of profitability in 2019	1.5	%
2015-2019: Average return on assets (ROA)	0.1	%
With such dynamics, the company would return the invested assets in	1205	years
2015-2019: Average return on equity (ROE)	0.1	%
With such dynamics, the company would return the invested capital in	1867	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	33	days
Disposal (sales) of inventories in 2019	27	days
2015-2019: It collects its trade receivables on average in	33	days
Collection of trade receivables in 2019	17	days
2015-2019: It pays the trade payables on average in	297	days
Payment of trade payables in 2019	361	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	98	%
The enterprise finances its assets from own sources in 2019	98	%
2015-2019: The remaining assets are financed by some form of borrowing	2	%
The remaining assets are financed by some form of borrowing in 2019	2	%
2015-2019: The average creditworthiness is	100	%
The average creditworthiness in 2019 is	100	%
2015-2019: The level of self-financing is	99	%
The level of self-financing in 2019 is	99	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	3	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	2	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-36.9	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-74.2	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	3	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	2	%

Liquidity

2015-2019: The average quick ratio is	7	%
The average quick ratio is	1	%
2015-2019: The average current ratio is	55.6	%
The average current ratio in 2019 is	36.0	%
2015-2019: The average general liquidity is	76	%
The average general liquidity in 2019 is	51	%

Financial analysis – explanations

Profitability

Despite the significant increase in revenues in 2019 compared to 2015 as the baseline year, the enterprise operates with a low profitability of 2.1% on average, i.e., 1.5% for 2019. The profitability is significantly lower than the average profitability of the analysed enterprises, which amounts to 6.0%.

The assets owned by the enterprise, with such a profit, would be restored in a staggering 1 205 years, and the invested and earned capital would be returned in a record 1 867 years, which is incomparably worse than the average. In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise sells its inventories on average in 33 days, and in 2019 in 27 days. The rapid disposal of inventories is a good asset management. These indicators are incomparable and depend on the nature of the enterprise's operation. The enterprise sells wood, which in most cases is sold with an advance payment and delivered in accordance with a certain schedule.

The collection of the company's receivables has a trend of improvement and it is 33 days on average in the 5-year period, i.e., 17 days in 2019. Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise.

Unlike the collection, the enterprise paid its liabilities during the analysed period in 297 days on average, and in 2019 this deadline was extended to 361 days. Even such long liability payment deadlines are better than the average of the analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 98% of the assets owned by the enterprise are financed by own sources (for 2019 it is also 98%), whereas only 2% (for 2019, it is also 2%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are equal to its capital and reserves, whereas the level of self-financing is also good and it is in the safe zone (average 99% for 2019 as well).

Cost-effectiveness

The enterprise manages to achieve positive operation by fully covering its total expenses and generating 3% revenue surplus (2% in 2019). The financial revenues to financial expenses ratio is negative in view of the fact that the enterprise often borrows money from foreign and domestic banks for certain project related procurements. This ratio is on average - 36.9%, and in 2019: - 74,2%.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor liquidity (cash) to cover the short-term liabilities (7% on average, i.e., 1% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 55.6% on average, i.e., 36% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

PE Vodovod i Kanalizacija, Skopje (Water Supply and Sewerage)

Year	2019	2018	2017	2016	2015
Total revenues by years	1,445,819,215	1,401,091,803	1,510,478,358	1,614,530,435	1,429,259,240

The total revenues of the PE **Vodovod i Kanalizacija, Skopje** in 2019 are **higher** by modest 1.1% compared to the total revenues reported in 2015. In 2018 the enterprise reported a loss in the amount of MKD 54,280,652 (EUR 883 thousand), and the enterprise also operated with loss in 2015 in the amount of MKD 185,175,195 (EUR 3 million).

Important legal norm relating to a reported operational loss in a public enterprise:

If the report on the operation identifies losses in the financial operation, the director shall be obliged to rectify them in the following six months. (Article 23-a paragraph 3 of the Law on Public Enterprises).

The director of the public enterprise and the deputy director of the public enterprise established by the Government of the Republic of North Macedonia shall be dismissed before the expiry of the term of office if, after the expiry of the deadline laid down in Article 23-a paragraph 3 of the Law on Public Enterprises, they fail to rectify the deficiencies or there are still deficiencies and/or losses in the financial operations even after this deadline. (Article 24-a paragraph 1 line 7 of the Law on Public Enterprises)

The Management Board, i.e., the Mayor of the Municipality, i.e., the City of Skopje, in such case will adopt a decision on dismissal of the director and deputy director. (Article 24-a paragraph 2 of the Law on Public Enterprises).

Until the appointment of a new director, the Management Board, i.e., the Mayor of the Municipality, i.e., the City of Skopje, shall appoint an acting director of the public enterprise, within five days as of the adoption of the decision, for a period not longer than six months. The deputy director of the public enterprise established by the Government of the Republic of North Macedonia, whose term of office has not expired, shall be an acting director until the appointment of a director upon a published announcement, for a period not longer than six months. (Article 24-a paragraph 3 of the Law on Public Enterprises).

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	2.1	%
Average rate of profitability in 2019	3.1	%
2015-2019: Average return on assets (ROA)	0.6	%
With such dynamics, the company would return the invested assets in	176	years
2015-2019: Average return on equity (ROE)	1.0	%
With such dynamics, the company would return the invested capital in	98	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	56	days
Disposal (sales) of inventories in 2019	70	days
2015-2019: It collects its trade receivables on average in	191	days
Collection of trade receivables in 2019	163	days
2015-2019: It pays the trade payables on average in	1656	days
Payment of trade payables in 2019	1,636	days

Financial stability		
2015-2019: The enterprise finances its assets from own sources	58	%
The enterprise finances its assets from own sources in 2019	57	%
2015-2019: The remaining assets are financed by some form of borrowing	42	%
The remaining assets are financed by some form of borrowing in 2019	43	%
2015-2019: The average creditworthiness is	105	%
The average creditworthiness in 2019 is	99	%
2015-2019: The level of self-financing is	91	%
The level of self-financing in 2019 is	87	%
Cost-effectiveness		
2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-2	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	3	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	153,074.8	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	270.8	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	1	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	5	%
Liquidity		
2015-2019: The average quick ratio is	5	%
The average quick ratio is	3	%
2015-2019: The average current ratio is	51.8	%
The average current ratio in 2019 is	37.8	%
2015-2019: The average general liquidity is	65	%
The average general liquidity in 2019 is	53	%

Financial analysis – explanations

Profitability

The average rate of profitability of the enterprise of 2.1% is lower than the one of the analysed enterprises, which amounts to 6.0%. In the analysed period, the enterprise has reported a loss in the financial statements.

It is obvious that the negligible increase in revenues in the analysed 5-year period was not accompanied by adequate cost control.

The assets owned by the enterprise, with such a profit, would be restored in 176 years, and the invested and earned capital would be returned in 98 years, which is worse than the average (38 years, i.e., 32 years). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise sells its inventories on average in 56 days, and in 2019 in 70 days.

The collection of the enterprise's receivables has a trend of improvement and it is 191 days on average in the 5-year period, i.e., 163 days in 2019. Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise.

Unlike the collection, the enterprise paid its liabilities during the analysed period in 1 656 days on average, and in 2019 this deadline was extended to 1 636 days. The liability payment deadlines are significantly worse than the average of the analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 58% of the assets owned by the enterprise were financed by own sources (57% in 2019), whereas 42% (43% in 2019) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are equal to its capital and reserves, whereas the level of self-financing is also good and it is in the safe zone (average 91%, i.e., 87% for 2019).

Cost-effectiveness

The enterprise's operation was negative in the analysed period, leaving uncovered total expenses of 2%. This indicator improved in 2019 and entered the positive zone (3%). The financial revenues to financial expenses ratio is highly positive, however it had no significant impact on the improvement of the enterprise's condition. This ratio is 271% in 2019.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor liquidity (cash) to cover the short-term liabilities (5% on average, i.e., 3% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 52% on average, i.e., 38% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

Railways of the Republic of North Macedonia Transport AD - Skopje

Year	2019	2018	2017	2016	2015
Total revenues by years	1,313,241,266	1,214,136,296	1,182,612,045	1,229,164,996	1,672,266,856

The total revenues of the **Railways of the Republic of North Macedonia Transport AD - Skopje** in 2019 are **lower by 21.5%** compared to the total revenues reported in 2015. The enterprise reports a continuous operational loss in the analysed 5-year period. Overview of the reported loss by years:

in 2015	MKD 47,421,345 (EUR 771,000)
in 2016	MKD 688,315,382 (EUR 11,192,000)
in 2017	MKD 501,989,091 (EUR 8,162,000)
in 2018	MKD 481,450,368 (EUR 7,828,000)
in 2019	MKD 403,954,584 (EUR 6,568,367)

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0.0	%
Average rate of profitability in 2019	0.0	%
2015-2019: Average return on assets (ROA)	0.0	%
With such dynamics, the company would return the invested assets in	0	years
2015-2019: Average return on equity (ROE)	0.0	%
With such dynamics, the company would return the invested capital in	0	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	95	days
Disposal (sales) of inventories in 2019	108	days
2015-2019: It collects its trade receivables on average in	112	days
Collection of trade receivables in 2019	94	days
2015-2019: It pays the trade payables on average in	1040	days
Payment of trade payables in 2019	1,074	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	51	%
The enterprise finances its assets from own sources in 2019	44	%
2015-2019: The remaining assets are financed by some form of borrowing	49	%
The remaining assets are financed by some form of borrowing in 2019	56	%

2015-2019: The average creditworthiness is	79	%
The average creditworthiness in 2019 is	70	%
2015-2019: The level of self-financing is	54	%
The level of self-financing in 2019 is	46	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-23	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-21	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-63.9	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-81.1	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	-24	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-24	%

Liquidity

2015-2019: The average quick ratio is	4	%
The average quick ratio is	1	%
2015-2019: The average current ratio is	20.2	%
The average current ratio in 2019 is	12.3	%
2015-2019: The average general liquidity is	32	%
The average general liquidity in 2019 is	23	%

Financial analysis – explanations

Profitability

As a result of the continuous losses in the operation, the enterprise's rate of profitability is zero and the rate of return on assets, i.e., the rate of return on equity are also zero. The enterprise's operation is not profitable and it does not manage to achieve a return on the assets, i.e., a return on the invested capital.

Efficiency

The enterprise mainly provides railway transport services. The enterprise sells the inventories in 95 days on average, and in 2019 this indicator increased to 108 days. The company indicators are lower than the average of the analysed enterprises.

The collection of the enterprise's receivables is on average in 112 days in the 5-year period, i.e., 94 days in 2019. These deadlines are more than double the average of the analysed enterprises (253 days on average in 5 years, i.e., 205 days in 2019).

The enterprise paid its liabilities during the analysed period in 1 040 days on average, and in 2019 this deadline was increased to 1 074 days. The liability payment deadlines are significantly longer than the average of the analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 51% of the assets owned by the enterprise were financed by own sources (in 2019 it was 44%), whereas 49% (in 2019 it was 56%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are higher than its capital and reserves, whereas the level of self-financing is relatively poor (average 54%, i.e., 46% in 2019).

Cost-effectiveness

The enterprise's operation was negative in the analysed period, covering the total expenses with barely 77%, i.e., the expenses are higher than the revenues by 23% (21% in 2019). The financial revenues to financial expenses ratio is also negative.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor liquidity (cash) for covering the short-term liabilities (4% on average, i.e., 1% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 20% on average, i.e., 12% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity. .

PE Komunalna Higiena, Skopje (Communal Hygiene)

Year	2019	2018	2017	2016	2015
Total revenues by years	1,231,721,901	1,196,348,618	1,206,569,274	1,273,868,303	1,180,622,519

The total revenues of the **PE Komunalna Higiena, Skopje** in 2019 are **higher** by approximately **4.3%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	4.2	%
Average rate of profitability in 2019	0.0	%
2015-2019: Average return on assets (ROA)	4.5	%
With such dynamics, the company would return the invested assets in	22	years
2015-2019: Average return on equity (ROE)	6.3	%
With such dynamics, the company would return the invested capital in	16	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	5	days
Disposal (sales) of inventories in 2019	7	days
2015-2019: It collects its trade receivables on average in	80	days
Collection of trade receivables in 2019	74	days
2015-2019: It pays the trade payables on average in	108	days
Payment of trade payables in 2019	73	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	73	%
The enterprise finances its assets from own sources in 2019	72	%
2015-2019: The remaining assets are financed by some form of borrowing	27	%
The remaining assets are financed by some form of borrowing in 2019	28	%
2015-2019: The average creditworthiness is	110	%
The average creditworthiness in 2019 is	102	%
2015-2019: The level of self-financing is	107	%
The level of self-financing in 2019 is	99	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	3	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-5	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	22,919.2	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	798.4	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	4	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-5	%

Liquidity

2015-2019: The average quick ratio is	42	%
The average quick ratio is	48	%
2015-2019: The average current ratio is	243.7	%
The average current ratio in 2019 is	232.4	%
2015-2019: The average general liquidity is	258	%
The average general liquidity in 2019 is	250	%

Financial analysis – explanations

Profitability

The average rate of profitability of the enterprise of 4.2% is lower than the one of the analysed enterprises, which amounts to 6.0%. The enterprise reported a net loss for 2019.

The assets owned by the enterprise, with such a profit, would be restored in 22 years, and the invested and earned capital would be returned in 16 years, and these figures are better than the average (38 years for return on assets and 32 years for return on capital). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise mainly provides services for collection of communal and other waste. Therefore, the inventories, which have a small share in the asset structure, are sold by the enterprise in 5 days on average, and in 2019 this indicator increased to 7 days.

The collection of the enterprise's receivables is in 80 days on average in the 5-year period, i.e., 74 days in 2019. These deadlines are significantly better than the average of the analysed enterprises (253 days on average in 5 years, i.e., 205 days in 2019).

The enterprise paid its liabilities during the analysed period in 108 days on average, and in 2019 this deadline was reduced to 73 days. The liability payment deadlines are significantly better than the average of the analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 73% of the assets owned by the enterprise were financed by own sources (in 2019 it was 72%), whereas 27% (in 2019 it was 28%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are lower than its capital and reserves, whereas the level of self-financing is also good and it is in the safe zone (average 107%, i.e., 99% for 2019).

Cost-effectiveness

Despite the negative result in 2019, the enterprise's operation was positive on average in the analysed period, covering the total expenses and generating 3% surplus. In 2019 this indicator was -5% which means that the enterprise lacked 5% of its revenue to cover its own expenses. The financial revenues to financial expenses ratio is highly positive, however it had no significant impact on the improvement of the enterprise's condition.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has excellent liquidity (cash) to cover the short-term liabilities (42% on average, i.e., 48% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 244% on average, i.e., 432% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

JSC Post of North Macedonia

Year					
Total revenues by years	2019	2018	2017	2016	2015
	1,197,759,105	1,184,838,614	1,210,433,687	1,358,846,391	1,372,713,191

The total revenues of the **JSC Post of North Macedonia** in 2019 are **lower** by approximately **12.8%** compared to the total revenues reported in 2015.

In 2017 the enterprise reported a loss in the amount of MKD 184,566,099 (EUR 3 million), and another loss in 2018 in the amount of MKD 166,754,206 (EUR 2.7 million), and in 2015 and 2016 the enterprise reported a profit.

Average financial indicators of the enterprise for the period 2015-2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0.1	%
Average rate of profitability in 2019	0.0	%
2015-2019: Average return on assets (ROA)	0.1	%
With such dynamics, the company would return the invested assets in	1570	years
2015-2019: Average return on equity (ROE)	0.1	%
With such dynamics, the company would return the invested capital in	1472	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	10	days
Disposal (sales) of inventories in 2019	10	days
2015-2019: It collects its trade receivables on average in	132	days
Collection of trade receivables in 2019	128	days
2015-2019: It pays the trade payables on average in	120	days
Payment of trade payables in 2019	151	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	93	%
The enterprise finances its assets from own sources in 2019	90	%
2015-2019: The remaining assets are financed by some form of borrowing	7	%
The remaining assets are financed by some form of borrowing in 2019	10	%
2015-2019: The average creditworthiness is	164	%
The average creditworthiness in 2019 is	154	%
2015-2019: The level of self-financing is	159	%
The level of self-financing in 2019 is	149	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-6	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-5	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	217.6	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-32.9	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	-6	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-5	%

Liquidity

2015-2019: The average quick ratio is	182	%
The average quick ratio is	93	%
2015-2019: The average current ratio is	594.9	%
The average current ratio in 2019 is	412.4	%
2015-2019: The average general liquidity is	626	%
The average general liquidity in 2019 is	436	%

Financial analysis – explanations

Profitability

The average rate of profitability of the enterprise of 0.1% is lower than the one of the analysed enterprises, which amounts to 6.0%. In 2017 the enterprise reported a loss in the amount of MKD 184,566,099 (EUR 3 million), and another loss in 2018 in the amount of MKD 166,754,206 (EUR 2.7 million), and in 2015 and 2016 the enterprise reported a profit.

Revenues decrease by 12.8% compared to the period between 2019 and 2015 was not accompanied by an adequate decrease in the enterprise's expenses.

The assets owned by the enterprise, with such a profit, would be restored in a staggering 15 centuries, and the invested and earned capital would be returned in 14 centuries, which is incomparable to the average of the analysed enterprises. In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise sells its inventories in 10 days on average, and in 2019 this indicator did not change.

The collection of the enterprise's receivables has a trend of slight improvement and it is 132 days on average in the 5-year period, i.e., 128 days in 2019. Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise. The deadlines for collection of receivables are better than the average.

Unlike the collection, the enterprise paid its liabilities during the analysed period in 120 days on average, and in

2019 this deadline was extended to 151 days. The liability payment deadlines are significantly worse than the average of the analysed enterprises. The liability payment deadlines are shorter than the average.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 93% of the assets owned by the enterprise were financed by own sources (90% in 2019), whereas 7% (10% in 2019) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are lower than its capital and reserves, whereas the level of self-financing is also good and it is in the safe zone (average 159%, i.e., 149% for 2019).

Cost-effectiveness

The enterprise's operation was negative in the analysed period, leaving uncovered total expenditures of 6% (-5% in 2019). The financial revenues to financial expenses ratio is highly positive on average, however it had no significant impact on the improvement of the enterprise's condition, especially taking into account that in 2019 it already entered into the negative zone (-32.9%).

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has excellent liquidity (cash) to cover the short-term liabilities (182% on average, i.e., 93% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 595% on average, i.e., 412% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

PE for Maintenance and Protection of National and Regional Roads – Skopje

Year					
Total revenues by years	2019	2018	2017	2016	2015
	1,146,247,450	1,134,679,484	985,280,799	1,013,059,896	772,563,543

The total revenues of the **PE for Maintenance and Protection of National and Regional Roads – Skopje** in 2019 are **higher by 48.4%** compared to the total revenues reported in 2015

Overview of the financial results by years:

in 2015	MKD 49,706,993 (EUR 808,244) LOSS
in 2016	MKD 20,948,384 (EUR 340,624)
in 2017	MKD 46,220,037 (EUR 751,545)
in 2018	MKD 21,032,990 (EUR 342,000)
in 2019	MKD 46.061.584 (EUR 748.969)

Average financial indicators of the company for the period 2015-2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	2,5	%
Average rate of profitability in 2019	4,0	%
2015-2019: Average return on assets (ROA)	5,4	%
With such dynamics, the company would return the invested assets in	19	years
2015-2019: Average return on equity (ROE)	-4,9	%
With such dynamics, the company would return the invested capital in	-21	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	78	days
Disposal (sales) of inventories in 2019	90	days
2015-2019: It collects its trade receivables on average in	17	days
Collection of trade receivables in 2019	12	days
2015-2019: It pays the trade payables on average in	409	days
Payment of trade payables in 2019	472	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	-120	%
The enterprise finances its assets from own sources in 2019	-104	%
2015-2019: The remaining assets are financed by some form of borrowing	220	%
The remaining assets are financed by some form of borrowing in 2019	204	%

2015-2019: The average creditworthiness is	-286	%
The average creditworthiness in 2019 is	-232	%
2015-2019: The level of self-financing is	-137	%
The level of self-financing in 2019 is	-111	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	4	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	6	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-97,2	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-99,0	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	2	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	5	%

Liquidity

2015-2019: The average quick ratio is	0	%
The average quick ratio is	0	%
2015-2019: The average current ratio is	4,9	%
The average current ratio in 2019 is	3,4	%
2015-2019: The average general liquidity is	33	%
The average general liquidity in 2019 is	27	%

Financial analysis – explanations

Profitability

The average rate of profitability of the company in the 5-year period is low and amounts to 2.5% (the average of the 30 companies is 6.0%). In 2019 the profitability improved and amounted to 4.0% (the average of the 30 companies is 6.5%). The average rate of return on assets is 5.4% which allows them to be restored in 19 years (the indicator is better than the average of the analysed companies: 38 years). The rate of return on capital is negative.

Efficiency

In the analysed period the company disposed of the inventories (real estate) on average in 78 days, but this result deteriorated in 2019 (to 90 days), which is a worse result than the average of the analysed companies (61 and 64 respectively).

The receivables in the analysed period are collected in 17 days on average in the 5-year period, i.e., 12 days in 2019. These indicators are significantly better than the average of the analysed companies.

The company paid its liabilities during the analysed period in 409 days on average, and in 2019 this deadline was extended to 4172 days. The liability payment deadlines in 2019 are worse than the average for the analysed companies in the same year.

Financial stability

The sources of assets financing show a negative value. At the end of 2019, the company had principal capital, reserves and current income in the amount of MKD 132,662,916 and loss carried forward in the amount as high as MKD 760,391,147. The loss exceeds the capital and reserves by 6 times. At the end of 2019, the company's liabilities amounted to MKD 1,181,609,987 and they are more than 9 times higher than the company's capital and reserves. The company is "owned" by the creditors. The right solution for this condition is to rehabilitate the company.

Cost-effectiveness

The company's operation was positive in the analysed period, covering the total expenses and generating a surplus of "modest 4%" (6% in 2019). The financial revenues to financial expenses ratio is significantly negative on average and amounts to - 97.2% with a trend of additional deterioration.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the company's balance sheets. The company has a poor liquidity (cash) which stems from the poor operation and the poor financial standing of the company. The current ratio is zero. This ratio is better if the receivables are also included as assets that can close a short-term liability (by means of compensation), then the current ratio will amount to poor 5.3% on average, i.e., 5% in 2018. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the company's liquidity, but in this case is still concerningly low.

AD M-NAV, Skopje

Year	2019	2018	2017	2016	2015
Total revenues by years	1.092.607.167	1.054.513.987	948.534.537	803.750.642	785.091.269

In 2019, the total revenues of **AD M-NAV, Skopje** increased by **39.2%** compared to 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	9,2	%
Average rate of profitability in 2019	2,6	%
2015-2019: Average return on assets (ROA)	7,4	%
With such dynamics, the company would return the invested assets in	13	years
2015-2019: Average return on equity (ROE)	8,3	%
With such dynamics, the company would return the invested capital in	12	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	3	days
Disposal (sales) of inventories in 2019	2	days
2015-2019: It collects its trade receivables on average in	42	days
Collection of trade receivables in 2019	44	days
2015-2019: It pays the trade payables on average in	78	days
Payment of trade payables in 2019	127	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	88	%
The enterprise finances its assets from own sources in 2019	81	%
2015-2019: The remaining assets are financed by some form of borrowing	12	%
The remaining assets are financed by some form of borrowing in 2019	19	%
2015-2019: The average creditworthiness is	251	%
The average creditworthiness in 2019 is	257	%
2015-2019: The level of self-financing is	237	%
The level of self-financing in 2019 is	226	%

Cost-effectiveness		
2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	13	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	4	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-51,4	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-73,7	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	12	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	3	%
Liquidity		
2015-2019: The average quick ratio is	815	%
The average quick ratio is	703	%
2015-2019: The average current ratio is	978,5	%
The average current ratio in 2019 is	840,3	%
2015-2019: The average general liquidity is	988	%
The average general liquidity in 2019 is	847	%

Financial analysis – explanations

Profitability

The enterprise has good profitability rates: 9.2% on average for the analysed 5-year period. This indicator is 2.6% for 2019 which is by 3.8 p.p. worse than the average for the respective year. The average of the 30 analysed enterprises is 6.0% for the 4 years and 6.5% for 2019.

The assets owned by the enterprise, with such a rate of profitability, would be restored in 13 years, and the invested and earned capital would be returned in 12 years, and these figures are significantly better than the average (38 years, i.e., 32 years). In the private sector, the period of return on invested capital is usually 10 years. These indicators are competitive with the indicators in the private sector.

Efficiency

The enterprise sells its inventories in 3 days on average, and in 2019 they were sold in 2 days as well. The business entity does not possess inventories as an important item in the assets of the balance sheet. Therefore, this indicator is significantly better than the average. The average indicator of the analysed enterprises is 61 days for the 5-year period and 64 days for 2018.

The enterprise collected its receivables in 42 days on average in the 5-year period, i.e., 44 in 2019. The days sales outstanding are significantly better than the average of the 30 analysed enterprises (average 253 days, 205 days in 2019).

Unlike the collection, in the analysed period, the enterprise paid its liabilities in 78 days on average, and in 2019 this deadline was reduced to 127 days. The days payable outstanding are significantly shorter than the average of the 30 analysed enterprises (average 484 days, 365 days in 2018).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 88% of the assets owned by the enterprise were financed by own sources (in 2019 it was 81%), whereas 12% (in 2019 it was 19%) of the owned assets were purchased at the expense of the suppliers (creditors).

The enterprise is creditworthy and its total capital and reserves are double the amount of the total debts (the average creditworthiness is 251%, i.e., 257% in 2019). The level of self-financing is high (237% on average, i.e., 226% in 2019). These two indicators are significantly within the average of the 30 analysed enterprises.

Cost-effectiveness

The enterprise's operation in the analysed period was positive, generating 13% surplus in the analysed period of 5 years, and in 2019 this indicator is 4%. The financial revenues to financial expenses ratio in the 5-year average is negative, however it does not significantly affect the financial results (average of -51%, i.e., 74% in 2019).

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has an excellent quick ratio of average 815%, and 703% in 2019. This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will be as high as 979% on average, i.e., 840% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

National Radio Television – Skopje

Year	2019	2018	2017	2016	2015
Total revenues by years	928.826.715	949.925.484	1.037.492.576	1.189.828.620	1.284.215.273

The total revenues of the **National Radio Television - Skopje** in 2019 are **lower by 28%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	2,1	%
Average rate of profitability in 2019	0,0	%
2015-2019: Average return on assets (ROA)	1,4	%
With such dynamics, the company would return the invested assets in	71	years
2015-2019: Average return on equity (ROE)	5,9	%
With such dynamics, the company would return the invested capital in	17	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	3	days
Disposal (sales) of inventories in 2019	3	days
2015-2019: It collects its trade receivables on average in	237	days
Collection of trade receivables in 2019	16	days
2015-2019: It pays the trade payables on average in	393	days
Payment of trade payables in 2019	293	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	19	%
The enterprise finances its assets from own sources in 2019	-13	%
2015-2019: The remaining assets are financed by some form of borrowing	81	%
The remaining assets are financed by some form of borrowing in 2019	113	%
2015-2019: The average creditworthiness is	131	%
The average creditworthiness in 2019 is	34	%
2015-2019: The level of self-financing is	67	%
The level of self-financing in 2019 is	-3	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	0	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-36	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-85,3	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-80,5	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	-5	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-36	%

Liquidity

2015-2019: The average quick ratio is	1	%
The average quick ratio is	1	%
2015-2019: The average current ratio is	103,1	%
The average current ratio in 2019 is	10,6	%
2015-2019: The average general liquidity is	104	%
The average general liquidity in 2019 is	12	%

Financial analysis – explanations

Profitability

The average rate of profitability of the enterprise is 2.1%, with the exception of 2018 and 2019 when the company reported a loss. The average rate of return on assets is 1.4% which allows them to be restored in 71 years (the indicator is lower than the average of the analysed enterprises). The rate of return on capital is better and it is 5.9%. The enterprise would return the invested and earned capital in 17 years. This indicator is better than the average of the analysed enterprises.

Efficiency

The enterprise provides national radio television services. The inventories, which are an insignificant item, are sold by the enterprise in 3 days on average, and in 2019 they were sold in 3 days as well. The company indicators are lower than the average of the analysed enterprises.

The collection of the enterprise's receivables is on average in 237 days in the 5-year period, with significant improvement in 2019 when the collection was made in 16 days. The average of the analysed enterprises is 253 days in 5 years, i.e., 205 days in 2019.

The enterprise paid its liabilities during the analysed period in 393 days on average, and in 2019 this deadline was reduced to 293 days. The liability payment deadlines are also better than the average of the analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. Only 19% of the assets owned by the enterprise are financed by own sources, whereas in 2019 this percentage entered in the negative zone and it is -13%. As high as 81% of the owned assets (113% in 2019) were purchased at the expense of the suppliers (creditors)

The creditworthiness shows that the enterprise's total debts in the past 5 years were on average lower than its capital and reserves, however in 2019 this indicator suddenly deteriorated (113% on average, i.e., 34% in 2019) probably as a result of borrowing in that respective year.

Cost-effectiveness

The enterprise's operation in the analysed period was not positive, and in 2019 the expenses were higher than the revenues in the same period by 36%. The financial revenues to financial expenses ratio is significantly negative (-85% average for the 4-year period, and -81% for 2019). The high financial expenses have a negative impact on the financial results. At the end of 2019, the company had principal capital, reserves and current income in the amount of MKD 132,662,916 and loss carried forward in the amount as high as MKD 760,391,147. The loss exceeds the capital and reserves by 6 times. At the end of 2019, the company's liabilities amounted to MKD 1,181,609,987 and they are more than 9 times higher than the company's capital and reserves.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor liquidity (cash) for covering the short-term liabilities (1% on average, i.e., 1% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will be 103% on average, i.e., 11% in 2019., which is 30 times worse than the average of the 30 enterprises in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity on average, however there is a concerning deterioration of the liquidity in 2019.

PE for Railway Infrastructure MZ, Skopje

Year					
Total revenues by years	2019	2018	2017	2016	2015
	874.246.392	920.734.461	834.759.199	863.480.479	966.931.130

The total revenues of the **PE for Railway Infrastructure MZ, Skopje** in 2019 are **lower by 9.6%** compared to the total revenues reported in 2015.

The enterprise reports a continuous operational loss in the analysed 5-year period. The total loss amounts to MKD 2,756,329,216 (approximately EUR 44.8 million). Overview of the reported loss by years:

in 2015	MKD 491,264,129 (EUR 7,988,000)
in 2016	MKD 494,702,046 (EUR 8,044,000)
in 2017	MKD 443,856,790 (EUR 7,217,000)
in 2018	MKD 375,827,928 (EUR 6,111,000)
in 2019	MKD 340,618,551 (EUR 5,534,000)

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0,0	%
Average rate of profitability in 2019	0,0	%
2015-2019: Average return on assets (ROA)	0,0	%
With such dynamics, the company would return the invested assets in	0	years
2015-2019: Average return on equity (ROE)	0,0	%
With such dynamics, the company would return the invested capital in	0	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	139	days
Disposal (sales) of inventories in 2019	154	days
2015-2019: It collects its trade receivables on average in	77	days
Collection of trade receivables in 2019	104	days
2015-2019: It pays the trade payables on average in	255	days
Payment of trade payables in 2019	224	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	92	%
The enterprise finances its assets from own sources in 2019	89	%
2015-2019: The remaining assets are financed by some form of borrowing	8	%
The remaining assets are financed by some form of borrowing in 2019	11	%

2015-2019: The average creditworthiness is	97	%
The average creditworthiness in 2019 is	96	%
2015-2019: The level of self-financing is	93	%
The level of self-financing in 2019 is	90	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-33	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-29	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	16,8	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	61,7	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	-32	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-28	%

Liquidity

2015-2019: The average quick ratio is	17	%
The average quick ratio is	26	%
2015-2019: The average current ratio is	53,1	%
The average current ratio in 2019 is	49,9	%
2015-2019: The average general liquidity is	119	%
The average general liquidity in 2019 is	85	%

Financial analysis – explanations

Profitability

As a result of the continuous losses in the operation, the enterprise's rate of profitability is zero and the rate of return on assets, i.e., the rate of return on equity are also zero. The enterprise's operation is not profitable and it does not manage to achieve a return on the assets, i.e., a return on the invested capital.

Efficiency

In the analysed period, the enterprise disposed of the inventories on average in 139 days, i.e., in 154 days in 2019. The inventory turnover is two times slower than the average of the analysed enterprises.

The receivables in the analysed period are collected in 77 days on average in the 5-year period, i.e., 104 days in 2019. These indicators are significantly better than the average of the analysed enterprises.

The enterprise paid its liabilities during the analysed period in 255 days on average, and in 2019 this deadline was reduced to 224 days. The liability payment deadlines are better than the average of the analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 92% of the assets owned by the enterprise were financed by own sources (in 2019 it was 89%), whereas 8% (in 2019 it was 11%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are almost completely covered from its capital and reserves (average 97% and 96% in 2019), and the level of self-financing is also good (average 93%, i.e., 90% in 2019).

Cost-effectiveness

The enterprise's operation was negative in the analysed period, and it did not manage to cover the total expenses by whole 33% (29% in 2019). The financial revenues to financial expenses ratio is positive and it varies in average by 16.8% (for 2018:61.7%).

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor liquidity (cash) to cover the short-term liabilities (17% on average, i.e., 26% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 53% on average, i.e., 50% in 2019 which is significantly lower than the average of the 30 analysed companies. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity. .

Joint stock company for construction and management of residential premises and business premises of significance for the state, Skopje

Year					
	2019	2018	2017	2016	2015
Total revenues by years	831.452.350	880.231.606	912.367.049	995.060.168	1.596.965.184

The total revenues of the **Joint stock company for construction and management of residential premises and business premises of significance for the state, Skopje** in 2019 are **lower by 47.9%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	7,5	%
Average rate of profitability in 2019	0,9	%
2015-2019: Average return on assets (ROA)	0,7	%
With such dynamics, the company would return the invested assets in	149	years
2015-2019: Average return on equity (ROE)	2,8	%
With such dynamics, the company would return the invested capital in	36	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	448	days
Disposal (sales) of inventories in 2019	463	days
2015-2019: It collects its trade receivables on average in	471	days
Collection of trade receivables in 2019	560	days
2015-2019: It pays the trade payables on average in	721	days
Payment of trade payables in 2019	512	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	23	%
The enterprise finances its assets from own sources in 2019	22	%
2015-2019: The remaining assets are financed by some form of borrowing	77	%
The remaining assets are financed by some form of borrowing in 2019	78	%
2015-2019: The average creditworthiness is	42	%
The average creditworthiness in 2019 is	45	%
2015-2019: The level of self-financing is	27	%
The level of self-financing in 2019 is	26	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	12	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	5	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-21,1	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-52,3	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	10	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	1	%

Liquidity

2015-2019: The average quick ratio is	20	%
The average quick ratio is	37	%
2015-2019: The average current ratio is	124,3	%
The average current ratio in 2019 is	171,5	%
2015-2019: The average general liquidity is	213	%
The average general liquidity in 2019 is	268	%

Financial analysis – explanations

Profitability

The enterprise's average rate of profitability is 7.5%, and for 2019 it is only 0.9%. The average rate of return on assets is 0.7% which allows them to be restored in 149 years (the indicator is worse than the average of the analysed companies). The rate of return on capital is better and it is 2.8%. The enterprise would return the invested and earned capital in 36 years (the average of the analysed enterprises is 32 years).

Efficiency

In the analysed period, the enterprise disposed of the inventories (real estate) on average in 448 days, i.e., in 463 days in 2019. The inventory turnover is significantly slower than the average of the analysed enterprises.

The receivables in the analysed period are collected in 471 days on average in the 5-year period, i.e., 560 days in 2019. These indicators are almost two times worse than the average of the analysed enterprises.

The enterprise paid its liabilities during the analysed period in 721 days on average, and in 2019 this deadline was reduced to 512 days. The liability payment deadlines are also almost two times worse than the average of the analysed enterprises.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 23% of the assets owned by the enterprise were financed by own sources (in 2019 it was 22%), whereas 77% (in 2018 it was 78%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are barely half of its capital and reserves (42% on average and 45% in 2019), and the level of self-financing is also poor (average 27%, i.e., 26% in 2019).

Cost-effectiveness

The enterprise's operation was positive in the analysed period, covering the total expenses and generating 12% surplus (5% in 2019). The financial revenues to financial expenses ratio is negative on average, - 21% (for 2019: -52%).

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor liquidity (cash) for covering the short-term liabilities (20% on average, i.e., 37% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 124% on average, i.e., 172% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

JSC Water Economy of the Republic of North Macedonia

Year					
Total revenues	2019	2018	2017	2016	2015
by years	618.254.890	657.690.938	591.219.274	579.676.230	188.906.395

The total revenues of the **JSC Water Economy of the RNM** in 2019 are **higher** by as much as **227.3%** compared to the total revenues reported in 2015. The enterprises started its operation in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	8,7	%
Average rate of profitability in 2019	0,0	%
2015-2019: Average return on assets (ROA)	0,4	%
With such dynamics, the company would return the invested assets in	245	years
2015-2019: Average return on equity (ROE)	2,7	%
With such dynamics, the company would return the invested capital in	37	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	18	days
Disposal (sales) of inventories in 2019	10	days
2015-2019: It collects its trade receivables on average in	499	days
Collection of trade receivables in 2019	291	days
2015-2019: It pays the trade payables on average in	1597	days
Payment of trade payables in 2019	713	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	24	%
The enterprise finances its assets from own sources in 2019	6	%
2015-2019: The remaining assets are financed by some form of borrowing	76	%
The remaining assets are financed by some form of borrowing in 2019	94	%
2015-2019: The average creditworthiness is	47	%
The average creditworthiness in 2019 is	7	%
2015-2019: The level of self-financing is	27	%
The level of self-financing in 2019 is	7	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	15	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	1	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-14,1	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-74,6	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	15	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	0	%

Liquidity

2015-2019: The average quick ratio is	15	%
The average quick ratio is	36	%
2015-2019: The average current ratio is	169,4	%
The average current ratio in 2019 is	173,0	%
2015-2019: The average general liquidity is	177	%
The average general liquidity in 2019 is	178	%

Financial analysis – explanations

Profitability

The average rate of profitability of the enterprise of 8,7% is higher than the one of the analysed enterprises, which amounts to 6.0%. In 2019 the enterprise reported a net loss and therefore the rate of profitability for the respective year was 0.

The assets owned by the enterprise, with such a profit, would be restored in as many as 245 years (the average of the analysed enterprises is 38 years), and the invested and earned capital would be returned in 37 years (32 years for return on capital is the average of the analysed enterprises). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise disposes of the inventories on average in 18 days, and 10 days in 2019. Both the average and the annual indicator are better than the average (61 days for 5 years and 64 days for 2019).

The enterprise collected its receivables in 499 days on average in the 5-year period, i.e., 291 days in 2019. The average five-year indicator is significantly worse than the average (253 days), whereas the indicator for 2019 of 291 day is within the annual average of the analysed enterprises (205 days for 2019).

The enterprise paid its liabilities during the analysed period in 1597 days on average, and in 2019 this deadline was reduced to 713 days. The average five-year indicator is significantly worse than the average (484 days) and the same applies to the indicator in 2019 (365 days on average of the analysed enterprises in 2019).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 24% of the assets owned by the enterprise were financed by own sources (only 6% in 2019), whereas 76% (94% in 2019) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are higher than its capital and reserves, whereas the level of self-financing as a five-year average is 27%, while for 2019 it is significantly worse and it is only 7%.

Cost-effectiveness

The enterprise's operation was positive in the analysed period, covering the total expenses and generating 15% surplus (1% in 2018). The financial revenues to financial expenses ratio is negative on average, (-14%), while for 2019 it is highly negative (-75%). The general conclusion is that the enterprise has a problem generating enough revenues to cover its own expenses.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor liquidity (cash) to cover the short-term liabilities (15% on average, i.e., 36% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 169% on average, i.e., 173% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

PE Parks and Greenery, Skopjee

Year					
Total revenues	2019	2018	2017	2016	2015
by years	470.154.071	455.669.275	417.798.634	421.323.679	388.815.780

The total revenues of the **PE Parks and Greenery Skopje** in 2019 are **higher by 20.9%** compared to the total revenues reported in 2015. Except in 2016 and 2019, the enterprise reported a loss in the other analysed years. The net amount of the loss for the 4 years is in the amount of MKD 34,137,349 (EUR 555 thousand):

in 2015, loss in the amount of MKD 18,766,320

in 2016, profit in the amount of MKD 3,251,475

in 2017, loss in the amount of MKD 13,595,788

in 2018, loss in the amount of MKD 5,026,716

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0,8	%
Average rate of profitability in 2019	3,1	%
2015-2019: Average return on assets (ROA)	0,6	%
With such dynamics, the company would return the invested assets in	166	years
2015-2019: Average return on equity (ROE)	0,7	%
With such dynamics, the company would return the invested capital in	138	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	2	days
Disposal (sales) of inventories in 2019	4	days
2015-2019: It collects its trade receivables on average in	64	days
Collection of trade receivables in 2019	52	days
2015-2019: It pays the trade payables on average in	89	days
Payment of trade payables in 2019	52	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	84	%
The enterprise finances its assets from own sources in 2019	91	%
2015-2019: The remaining assets are financed by some form of borrowing	16	%
The remaining assets are financed by some form of borrowing in 2019	9	%
2015-2019: The average creditworthiness is	131	%
The average creditworthiness in 2019 is	111	%

2015-2019: The level of self-financing is	130	%
The level of self-financing in 2019 is	110	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	1	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	4	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-91,8	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-99,8	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	0	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	4	%

Liquidity

2015-2019: The average quick ratio is	66	%
The average quick ratio is	84	%
2015-2019: The average current ratio is	285,5	%
The average current ratio in 2019 is	338,2	%
2015-2019: The average general liquidity is	291	%
The average general liquidity in 2019 is	351	%

Financial analysis – explanations

Profitability

The enterprise's average rate of profitability is exceptionally low and amounts to 0.9%. The same indicator has improved in 2019 when it was 3.1%, which is almost two times lower than the average of the 30 enterprises (6.0% for the 5-year period and 6.5% for 2019).

The assets owned by the enterprise, with such a profit, would be restored in 166 years (the average of the analysed enterprises is 38 years), and the invested and earned capital would be returned in 138 years (32 years for return on capital is the average of the analysed enterprises). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise disposes of the inventories on average in 2 days, and 4 days in 2019. Both the average and the annual indicator are better than the average (61 days for 5 years and 64 days for 2018).

In the 5-year period, the enterprise collected the receivables within 64 days on average, i.e., 52 in 2019. The average five-year indicator is better than the average of the analysed enterprises (253 days, i.e., 205 days for 2019).

The enterprise paid its liabilities during the analysed period in 89 days on average, and in 2019 this deadline was reduced to 52 days. Both the average five-year indicator and the indicator for 2019 are significantly better than the average (484 days on average, i.e., 365 in 2019).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 84% of the assets owned by the enterprise were financed by own sources (in 2018 it was 91%), whereas 16% (in 2019 it was 9%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are lower than its capital and reserves, whereas the level of self-financing as a five-year average is 130%, while for 2019 it is 110%.

Cost-effectiveness

The enterprise generates sufficient revenues to cover its expenses, but it does not generate sufficient surplus (average 1%), whereas in 2019 it generated a surplus of 4% which is by 1 p.p. better than the average of the 30 enterprises in the same year. The financial revenues to financial expenses ratio is negative and it is -92%, while for 2019 it is -100%, however it had no significant impact on the improvement/deterioration of the enterprise's condition.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has sufficient liquidity (cash) to cover the short-term liabilities (66% on average, i.e., 84% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 286% on average, i.e., 338% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

PE for Utility Services Komunalec, Strumica

Year					
Total revenues	2019	2018	2017	2016	2015
by years	312.487.212	317.126.060	269.672.226	301.532.485	297.516.710

The total revenues of the **PE for Utility Services Komunalec, Strumica** in 2019 are **higher by 5.0%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	2,3	%
Average rate of profitability in 2019	0,8	%
2015-2019: Average return on assets (ROA)	0,9	%
With such dynamics, the company would return the invested assets in	115	years
2015-2019: Average return on equity (ROE)	1,6	%
With such dynamics, the company would return the invested capital in	63	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	58	days
Disposal (sales) of inventories in 2019	60	days
2015-2019: It collects its trade receivables on average in	449	days
Collection of trade receivables in 2019	461	days
2015-2019: It pays the trade payables on average in	437	days
Payment of trade payables in 2019	581	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	54	%
The enterprise finances its assets from own sources in 2019	53	%
2015-2019: The remaining assets are financed by some form of borrowing	46	%
The remaining assets are financed by some form of borrowing in 2019	47	%
2015-2019: The average creditworthiness is	120	%
The average creditworthiness in 2019 is	123	%
2015-2019: The level of self-financing is	106	%
The level of self-financing in 2019 is	107	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	3	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	1	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	313,7	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	1.545,8	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	3	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	1	%

Liquidity

2015-2019: The average quick ratio is	1	%
The average quick ratio is	2	%
2015-2019: The average current ratio is	131,0	%
The average current ratio in 2019 is	113,6	%
2015-2019: The average general liquidity is	148	%
The average general liquidity in 2019 is	128	%

Financial analysis – explanations

Profitability

The enterprise's average rate of profitability is low and it is 2.3%, and in 2019 this indicator further deteriorated and it was 0.8%.

The assets owned by the enterprise, with such a profit, would be restored in as many as 115 years (the average of the analysed enterprises is 38 years), and the invested and earned capital would be returned in 63 years (32 years for return on capital is the average of the analysed enterprises). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise disposes of the inventories on average in 58 days, and 60 days in 2019. Both the average and the annual indicator are better than the average (61 days for 5 years and 64 days for 2019).

In the 5-year period, the enterprise collected the receivables within 446 days on average, i.e., 461 days in 2019. These indicators are worse than the average of the analysed enterprises (253 days, i.e., 205 days for 2019).

The enterprise paid its liabilities during the analysed period in 437 days on average, and in 2019 this deadline was extended to 581 days. Although the average indicator is within the average of the 30 enterprises, the indicator for 2019 is 215 days longer than the average for 2019 of the 30 analysed enterprises (365 days).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 54% of the assets owned by the enterprise were financed by own sources (in 2019 it was 53%), whereas 46% (in 2019 it was 44%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are lower than its capital and reserves, whereas the level of self-financing as a five-year average is 106%, while for 2019 it is 107%.

Cost-effectiveness

The enterprise operates with profits in the analysed period and it covers its total expenses with the total revenues, and generates a surplus of 3% in the analysed 5-year period, i.e., 1% for 2019. The financial revenues to financial expenses ratio is positive, however it had low impact on the financial results of the enterprise.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor quick ratio (cash) for covering the short-term liabilities (3% on average and 1% in 2019). This ratio is even better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 131% on average, i.e., 114% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

PE Ulici i Patista, Skopje (Streets and Roads)

Year	2019	2018	2017	2016	2015
Total revenues by years	336.046.886	306.228.168	381.454.915	280.434.448	241.625.375

The total revenues of the **PE Ulici i Patista, Skopje** in 2019 are **higher by 39.0%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	10,9	%
Average rate of profitability in 2019	8,9	%
2015-2019: Average return on assets (ROA)	13,1	%
With such dynamics, the company would return the invested assets in	8	years
2015-2019: Average return on equity (ROE)	55,8	%
With such dynamics, the company would return the invested capital in	2	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	20	days
Disposal (sales) of inventories in 2019	15	days
2015-2019: It collects its trade receivables on average in	202	days
Collection of trade receivables in 2019	234	days
2015-2019: It pays the trade payables on average in	274	days
Payment of trade payables in 2019	239	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	31	%
The enterprise finances its assets from own sources in 2019	51	%
2015-2019: The remaining assets are financed by some form of borrowing	69	%
The remaining assets are financed by some form of borrowing in 2019	49	%
2015-2019: The average creditworthiness is	151	%
The average creditworthiness in 2019 is	286	%
2015-2019: The level of self-financing is	118	%
The level of self-financing in 2019 is	230	%

Cost-effectiveness		
2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	16	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	11	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-68,2	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-87,4	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	15	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	11	%
Liquidity		
2015-2019: The average quick ratio is	11	%
The average quick ratio is	11	%
2015-2019: The average current ratio is	128,5	%
The average current ratio in 2019 is	166,6	%
2015-2019: The average general liquidity is	140	%
The average general liquidity in 2019 is	176	%

Financial analysis – explanations

Profitability

The enterprise's average rate of profitability is low and it is 10.9%, and for 2019 it is 8.9%. The enterprise's profitability is higher than the average of the analysed enterprises both in the five-year period and in 2019.

The assets owned by the enterprise, with such a profit, would be restored in 8 years (the average of the analysed enterprises is 38 years), and the invested and earned capital would be returned in excellent 2 years (32 years for return on capital is the average of the analysed enterprises). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise disposes of the inventories on average in 20 days, and 15 days in 2019. Both the average and the annual indicator are better than the average (61 days for 5 years and 64 days for 2019).

In the 5-year period, the enterprise collected the receivables within 202 days on average, i.e., 234 days in 2014. The indicator for the days sales outstanding is better than the average of the analysed enterprises (253 days, i.e., 205 days in 2019).

The enterprise paid its liabilities during the analysed period in 274 days on average, and in 2019 this deadline was reduced to 239 days. The average four-year indicator is better than the five-year average and the average for 2019 of the 30 enterprises (484 days, i.e., 365 days for 2019).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 31% of the assets owned by the enterprise were financed by own sources (in 2019 it was 51%), whereas 69% (in 2019 it was 49%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are lower than its capital and reserves, whereas the level of self-financing as a five-year average is 118%, while for 2019 it is 230%.

Cost-effectiveness

The enterprise operates with profits in the analysed period and it covers its total expenses with the total revenues, and generates a surplus of 16%, i.e., 11% for 2019. The financial revenues to financial expenses ratio is negative and has no impact on the financial results of the enterprise.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has poor quick ratio (cash) for covering the short-term liabilities (11% on average and 11% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 129% on average, i.e., 167% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

PE National Broadcasting, Skopje

Year					
Total revenues by years	2019	2018	2017	2016	2015
	291,046,805	302,376,440	290,109,154	352,761,286	391,751,978

The total revenues of the **PE National Broadcasting, Skopje** in 2019 are **lower by 25,7%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	24.6	%
Average rate of profitability in 2019	36.0	%
2015-2019: Average return on assets (ROA)	11.2	%
With such dynamics, the company would return the invested assets in	9	years
2015-2019: Average return on equity (ROE)	16.1	%
With such dynamics, the company would return the invested capital in	6	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	46	days
Disposal (sales) of inventories in 2019	65	days
2015-2019: It collects its trade receivables on average in	13	days
Collection of trade receivables in 2019	10	days
2015-2019: It pays the trade payables on average in	298	days
Payment of trade payables in 2019	222	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	68	%
The enterprise finances its assets from own sources in 2019	88	%
2015-2019: The remaining assets are financed by some form of borrowing	32	%
The remaining assets are financed by some form of borrowing in 2019	12	%
2015-2019: The average creditworthiness is	118	%
The average creditworthiness in 2019 is	147	%
2015-2019: The level of self-financing is	105	%
The level of self-financing in 2019 is	132	%

Cost-effectiveness		
2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	44	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	66	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	2,993.3	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	5,478.0	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	44	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	68	%
Liquidity		
2015-2019: The average quick ratio is	302	%
The average quick ratio is	385	%
2015-2019: The average current ratio is	318.4	%
The average current ratio in 2019 is	399.8	%
2015-2019: The average general liquidity is	375	%
The average general liquidity in 2019 is	485	%

Financial analysis – explanations

Profitability

The average rate of profitability of the enterprise is high and amounts to average 24.6% for the analysed period, and in 2019 it was even 36.0%. The company's profitability is several times higher than the profitability of the analysed enterprises (the five-year average is 6.0% and the average for 2019 is 6.5%).

The assets owned by the enterprise, with such a profit, would be restored in 9 years (the average of the analysed enterprises is 38 years), and the invested and earned capital would be returned in excellent 6 years (32 years for return on capital is the average of the analysed enterprises). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise disposes of the inventories on average in 46 days, and in 2019 it increased to 65 days. Although the average five-year indicator is better than the average of the 30 enterprises (61 days for the 5-year period), the indicator for 2019 is one day longer than the average of all analysed enterprises in 2019 (64 days in 2018).

In the 5-year period, the enterprise collected the receivables within 13 days on average, i.e., 10 days in 2019. The indicator for the days sales outstanding is significantly better than the average of the analysed enterprises (253 days, i.e., 205 days in 2019).

The enterprise paid its liabilities during the analysed period in 298 days on average, and in 2019 this deadline was reduced to 222 days. The average five-year indicator is almost two times better than the five-year average and the average for 2019 of the 30 enterprises (484 days, i.e., 365 days for 2019).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 68% of the assets owned by the enterprise were financed by own sources (in 2019 it was 88%), whereas 32% (in 2019 it was 12%) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness is highly positive, whereas the level of self-financing as a five-year average is 105% and in 2019 it was 132%. Both the creditworthiness and the level of self-financing of the enterprise are significantly better than the average of the 30 analysed enterprises.

Cost-effectiveness

The enterprise operates with profits in the analysed period and it covers its total expenses with the total revenues, and generates a surplus of 44%, i.e., 66% for 2018. The average of this indicator is only 4% for the five-year period, i.e., 3% for 2019. The financial revenues to financial expenses ratio is highly positive, however it has no impact on the financial results of the enterprise.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has a high quick ratio (cash) to cover the short-term liabilities (302% on average and 385% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 318% on average, i.e., 400% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

Inter-Municipal Public Enterprise for drinking water supply, drainage and treatment of wastewater and runoff waters of the municipalities of Ohrid and Struga and protection of Lake Ohrid – PROAQUA, Struga

Number of employees in 2018: 455 persons		Year		
Total revenues by years	2018	2017	2016	2015
	287.001.494	217.357.978	216.328.512	213.287.556

At the end of 2019, the enterprise was liquidated and there is no documentation in the Central Register for the last year of this analysis. However, since the enterprise existed in the period of 2015-2018 and provides a significant input in the analysis of the other enterprises in terms of better or worse management than the average, it was decided to be included in this paper with the data from the last available date.

In 2018, the total revenues of the **Inter-Municipal Public Enterprise for drinking water supply, drainage and treatment of wastewater and runoff waters of the municipalities of Ohrid and Struga and protection of Lake Ohrid-PROAQUA Struga** increased by **34.6%** compared to 2015. In the same period, the total number of employees decreased by **-7.3%** from 491 in 2015 to 455 in 2018.

Average financial indicators of the enterprise for the period 2015 -2018

Profitability		
2015-2019: Average rate of profitability of the enterprise	1,4	%
Average rate of profitability in 2019	5,4	%
2015-2019: Average return on assets (ROA)	0,2	%
With such dynamics, the company would return the invested assets in	569	years
2015-2019: Average return on equity (ROE)	2,0	%
With such dynamics, the company would return the invested capital in	50	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	50	days
Disposal (sales) of inventories in 2019	40	days
2015-2019: It collects its trade receivables on average in	1232	days
Collection of trade receivables in 2019	1.109	days
2015-2019: It pays the trade payables on average in	3526	days
Payment of trade payables in 2019	4.097	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	10	%
The enterprise finances its assets from own sources in 2019	9	%
2015-2019: The remaining assets are financed by some form of borrowing	90	%
The remaining assets are financed by some form of borrowing in 2019	91	%

2015-2019: The average creditworthiness is	16	%
The average creditworthiness in 2019 is	17	%
2015-2019: The level of self-financing is	15	%
The level of self-financing in 2019 is	15	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-14	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	5	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	157,9	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	408,0	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	-13	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	7	%

Liquidity

2015-2019: The average quick ratio is	1	%
The average quick ratio is	3	%
2015-2019: The average current ratio is	69,1	%
The average current ratio in 2019 is	72,0	%
2015-2019: The average general liquidity is	72	%
The average general liquidity in 2019 is	74	%

Financial analysis – explanations

Profitability

The profitability of the enterprise is variable. With the exception of 2018, a net loss was generated in all other years. In 2017 the enterprises suffered the highest net loss. In the period from 2015 to 2018, the total revenues of the enterprise had an upward trend (increased by 34.6%). In the same period, the enterprise decreased the number of employees by 36 employees in absolute numbers, i.e., by 7.3% in the period of four years.

With this dynamics, the enterprise would return the invested assets in 569 years, which is substantially above the average of 38 years for the 30 analysed enterprises. As regards the invested capital, with the current dynamics, the enterprise would return such capital in 50 years, which is 18 years longer than the average of the 30 analysed enterprises (of 32 years).

In 2018, the year in which the enterprise generated a net profit from the operation, it had an average rate of profitability of 5.4%, which is 1.3 p.p. lower than the average of the 30 analysed enterprises (6.7%).

Efficiency

The enterprise disposes of the inventories on average in 50 days. In 2018, the disposal of inventories has improved and it was completed in 40 days. Compared to the 30 enterprises included in this analysis, the enterprise disposed of the inventories on average 11 days faster (24 days faster in 2018).

The sales receivables during the 4-year period were collected in 1232 days on average (3 years and 5 months), while in 2018 this period was shortened to 1 109 days. This is significantly longer than the average of the 30 analysed enterprises, which during the 4-year period collected their receivables on average in 265 days, while in 2018 in 243 days.

The trade payables were paid on average in 3 526 days (9 years and 10 months). In 2018, the already significant delay in the payment of the liabilities deteriorated and the liabilities were paid in 4 097 days (11 years and 3 months). Due to the lack of proper liability management, the enterprise can seriously damage its reputation in front of the suppliers.

Financial stability

During the 4-year analysed period, the enterprise financed only 10% of its assets from its own sources. The remaining 90% of the assets were purchased at the expense of the suppliers (creditors).

The creditworthiness of the enterprise is poor, with an average of 16% for the 4-year period (17% in 2018). As a comparison, this is by 86 p.p. lower than the four-year average of the 30 analysed enterprises (102%) and by 97 p.p. lower than their average for 2018 (114%).

The level of self-financing is 15% and it is outside the safe zone. It is 87% on average for the four-year period for the 30 analysed enterprises.

Cost-effectiveness

The enterprise did not operate in a cost-effective manner, but it shows a trend of improvement in 2018. On average, during the four analysed years, the enterprise did not manage to cover 14% of the total expenses with its total revenues. In 2018, the enterprise generated a surplus of 5%, which is only 1 p.p. lower than the average of the 30 analysed enterprises in 2018 (6%). The financial revenues to financial expenses ratio is highly positive and in 2018 it amounts to 408%.

Liquidity

The enterprise has poor liquidity (cash) to cover the short-term liabilities (1% on average, i.e., 3% in 2018). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 69% on average, i.e., 72% in 2018. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity (72% on average and 74% for 2018)

Public Utility Enterprise for Water Supply, Bitola

Year	2019	2018	2017	2016	2015
Total revenues by years	250,489,821	242,344,851	228,137,039	233,701,754	231,947,624

The total revenues of the **Public Utility Enterprise for Water Supply, Bitola** in 2019 are **higher by 8.0%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0.3	%
Average rate of profitability in 2019	0.1	%
2015-2019: Average return on assets (ROA)	0.1	%
With such dynamics, the company would return the invested assets in	1076	years
2015-2019: Average return on equity (ROE)	0.1	%
With such dynamics, the company would return the invested capital in	814	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	107	days
Disposal (sales) of inventories in 2019	101	days
2015-2019: It collects its trade receivables on average in	141	days
Collection of trade receivables in 2019	116	days
2015-2019: It pays the trade payables on average in	85	days
Payment of trade payables in 2019	67	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	76	%
The enterprise finances its assets from own sources in 2019	76	%
2015-2019: The remaining assets are financed by some form of borrowing	24	%
The remaining assets are financed by some form of borrowing in 2019	24	%
2015-2019: The average creditworthiness is	134	%
The average creditworthiness in 2019 is	140	%
2015-2019: The level of self-financing is	96	%
The level of self-financing in 2019 is	99	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-1	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	1	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	-34.9	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-61.0	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	-1	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	0	%

Liquidity

2015-2019: The average quick ratio is	139	%
The average quick ratio is	212	%
2015-2019: The average current ratio is	471.1	%
The average current ratio in 2019 is	516.6	%
2015-2019: The average general liquidity is	722	%
The average general liquidity in 2019 is	772	%

Financial analysis – explanations

Profitability

The average rate of profitability of the enterprise is low and amounts to only 0.3% on average for the analysed period, and in 2019 it was only 0.1%. The company's profitability is significantly lower than the profitability of the analysed enterprises (the five-year average is 6.0% and the average for 2019 is 6.5%).

The assets owned by the enterprise, with such a profit, would be restored in staggering 1076 years (the average of the analysed enterprises is 38 years), and the invested and earned capital would be returned in 814 years (32 years for return on capital is the average of the analysed enterprises). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise disposes of the inventories on average in 107 days, and 101 days in 2019. Both the average and the annual indicator are worse than the average (61 days for 5 years and 64 days for 2019).

In the 5-year period, the enterprise collected the receivables within 107 days on average, i.e., 116 days in 2019. The indicator for the days sales outstanding is better than the average of the analysed enterprises (253 days, i.e., 205 days in 2019).

The enterprise paid its liabilities during the analysed period in 85 days on average, and in 2019 this deadline was increased to 67 days. The average five-year indicator is better than the five-year average and the average for 2019 of the 30 enterprises (484 days, i.e., 365 days for 2019).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 76% of the assets owned by the enterprise were financed by own sources (in 2019 it was also 76%), whereas 24% (the same percentage in 2019) of the owned assets were purchased at the expense of the suppliers (creditors).

The creditworthiness shows that the total debts of the enterprise are lower than its capital and reserves, whereas the level of self-financing as a five-year average is 96%, while for 2019 it is 99%.

Cost-effectiveness

The enterprise generated profit during the 4 years of the analysed period, except for 2017 when it reported a loss of EUR 430 thousand due to the inability to cover the total expenses with the total revenues by 1%, while in 2019 it covered the total expenses with the total revenues and generate a slight profit of 1%. The financial revenues to financial expenses ratio is negative and has no impact on the financial results of the enterprise.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has a high quick ratio (cash) to cover the short-term liabilities (139% on average and 212% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 471% on average, i.e., 517% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

Public Enterprise for Utility, Production and Services ISAR, Stip

Year	2019	2018	2017	2016	2015
Total revenues by years	224,247,312	230,689,393	224,853,403	231,826,016	219,127,264

The total revenues of the **Public Enterprise for Utility, Production and Services ISAR PO - Stip** in 2019 are **higher** by approximately **2.3%** compared to the total revenues reported in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	1.9	%
Average rate of profitability in 2019	0.1	%
2015-2019: Average return on assets (ROA)	0.9	%
With such dynamics, the company would return the invested assets in	109	years
2015-2019: Average return on equity (ROE)	1.8	%
With such dynamics, the company would return the invested capital in	57	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	33	days
Disposal (sales) of inventories in 2019	44	days
2015-2019: It collects its trade receivables on average in	229	days
Collection of trade receivables in 2019	240	days
2015-2019: It pays the trade payables on average in	267	days
Payment of trade payables in 2019	249	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	51	%
The enterprise finances its assets from own sources in 2019	52	%
2015-2019: The remaining assets are financed by some form of borrowing	49	%
The remaining assets are financed by some form of borrowing in 2019	48	%
2015-2019: The average creditworthiness is	97	%
The average creditworthiness in 2019 is	94	%
2015-2019: The level of self-financing is	80	%
The level of self-financing in 2019 is	80	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	1	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	0	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	205.1	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	10.7	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	1	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	0	%

Liquidity

2015-2019: The average quick ratio is	5	%
The average quick ratio is	8	%
2015-2019: The average current ratio is	109.7	%
The average current ratio in 2019 is	103.5	%
2015-2019: The average general liquidity is	124	%
The average general liquidity in 2019 is	121	%

Financial analysis – explanations

Profitability

The enterprise was the most profitable in 2018 with a rate of 4.3%. In 2017 the enterprise suffered a net loss as the result of the increase in other operating expenses by 85.5%. It is worth mentioning that pursuant to Article 23-a of the Law on Public Enterprises, if losses in the financial operation are established in the report on the operation, the director is obliged to rectify such losses in the course of the next 6 months, wherein, he/she shall be dismissed prior to the expiry of the term of office hereof or after the expiry of the period of 6 months if he/she fails to rectify the deficiencies or if even after the expiry of the said deadline there are still deficiencies and/or losses in the financial operation.

The average rate of profitability in the 5-year period is 1.9%. This rate is 4.1 p.p. lower than the average of the 30 analysed enterprises (6.0%). This indicator in 2019 was only 0.1%.

The average return on assets is 0.9% which is 1.7 p.p. lower than the average of the 30 analysed enterprises (their ROA coefficient is 2.7%). The enterprise would return the invested assets in 109 years, which is 72 days longer than the average (38 years), while also indicating that the net profit should be increased. The ROE coefficient is 1.8% which is 1.4 p.p. lower than the average (3.2%). With its current profitability, the enterprise would return the invested capital in 57 years, which is 55 years longer than the average (32 years).

Efficiency

On average, the enterprise disposes of its inventory in 33 days. In 2019, the inventory disposal on average was in 44 days.

Despite the relatively long period that the enterprise needs to collect its receivables, there was a deterioration in 2019 when the receivables were collected in 240 days (the average in the 5-year period is 205 days). Shortening the collection period would improve the efficiency of the enterprise, however these indicators in the 5-year period are better than the average of the 30 analysed enterprises by 24 days (the average for the 30 enterprises is 253 days whereas the average of Isar Stip is 229 days).

The enterprise paid its liabilities on average in 267 days during the analysed period, while in 2019 this deadline was improved and the trade liabilities were paid in 249 days. The payment of the liabilities is almost two times better than the average of the 30 analysed enterprises (484 days for 5 years, i.e., 365 days for 2019).

Financial stability

51% of the assets owned by the enterprise during the analysed period were financed from own sources (52% in 2019), while the remaining 49% of the owned assets were financed with some form of borrowing, which primarily came from short-term loans and at the expense of the suppliers.

The creditworthiness is 97% on average, i.e., 94% in 2019, while the level of self-financing is in the safe zone with average 80% (the indicator is the same in 2019) and the average creditworthiness and the level of self-financing are both better than the average of the 30 analysed enterprises.

Cost-effectiveness

On average, the enterprise covers the total expenses with the total revenues with only 1%, which is understandable having regard to the fact that in 2017 the enterprise suffered a net loss. In 2019 this indicator dropped further and amounted to 0%.

The financial revenues and the financial expenses ratio is positive on average, even though it was negative in 2018 since the enterprise had a short-term borrowing based on credits/loans.

Liquidity

The enterprise has a low quick ratio (cash) to cover the short-term liabilities (5% on average and 8% in 2019). This ratio is significantly better if the receivables are also included as assets that can close a short-term liability (by means of compensation), then the current ratio will amount to 109.7% on average, i.e., 103,5% in 2019. The general liquidity, which also includes the inventory as an asset that can be used for covering the short-term liabilities, is 124% on average, i.e. 121% for 2019.

Public Enterprise Water Supply Kumanovo

Year	2019	2018	2017	2016	2015
Total revenues by years	221,042,509	221,413,264	219,682,253	220,428,388	219,377,328

The total revenues of the **PE Water Supply – Kumanovo** in 2019 **increased** by **0.8%** compared to 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0.2	%
Average rate of profitability in 2019	0.4	%
2015-2019: Average return on assets (ROA)	0.0	%
With such dynamics, the company would return the invested assets in	2725	years
2015-2019: Average return on equity (ROE)	0.2	%
With such dynamics, the company would return the invested capital in	508	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	28	days
Disposal (sales) of inventories in 2019	28	days
2015-2019: It collects its trade receivables on average in	570	days
Collection of trade receivables in 2019	609	days
2015-2019: It pays the trade payables on average in	1645	days
Payment of trade payables in 2019	2,201	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	18	%
The enterprise finances its assets from own sources in 2019	18	%
2015-2019: The remaining assets are financed by some form of borrowing	82	%
The remaining assets are financed by some form of borrowing in 2019	82	%
2015-2019: The average creditworthiness is	37	%
The average creditworthiness in 2019 is	32	%
2015-2019: The level of self-financing is	27	%
The level of self-financing in 2019 is	30	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	1	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	5	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	95.0	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-84.1	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	0	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	1	%

Liquidity

2015-2019: The average quick ratio is	3	%
The average quick ratio is	5	%
2015-2019: The average current ratio is	95.4	%
The average current ratio in 2019 is	86.2	%
2015-2019: The average general liquidity is	100	%
The average general liquidity in 2019 is	90	%

Financial analysis – explanations

Profitability

The profitability of the enterprise in the analysed period is variable. With this dynamics, the enterprise would return the invested capital in 508 years, which is a substantial deviation from the average of the 30 analysed enterprises of 38 years. The enterprise would return the invested assets in staggering 2 715 years (the average of the 30 analysed enterprises is 38 years).

Efficiency

The main activity of the enterprise is water supply. Therefore, it is not surprising that the indicator for the days inventory outstanding is 28 days shorter than the average of the 30 analysed enterprises (61 days).

During the analysed period, the enterprise collected its receivables on average in 570 days, which is longer than the average of the 30 analysed enterprises of 253 days. On the other hand, the enterprise paid its liabilities on average in 1 645 days which is significantly higher than the average of the 30 analysed enterprises of 484 days. In 2019, the receivables and liabilities management further deteriorated so the enterprises needed 609 days to collect its receivables and 2 2019 days to pay its liabilities. The average of the 30 enterprises in 2019 was 205 days for receivables and 265 days for liabilities.

Financial stability

The enterprise is mainly financed by borrowing. Only 18% of the enterprise's assets are financed by own sources, whereas the remaining 82% were purchased at the expense of the suppliers (creditors).

During the analysed period of 2015-2018, the average creditworthiness of the enterprise was 37%, which is 65.5 p.p. lower than the average of the 30 analysed enterprises (102%). In 2019 the creditworthiness of the enterprise was 32% which is a difference of 73.3 p.p. compared to the average of the 30 enterprises (106%).

The level of self-financing is 27% on average for the five years, which is 61 p.p. lower than the average of all enterprises (88%). In 2019, this indicator improved (30%), but it still points to the fact that the enterprise can cover only 30% of the total debts with its capital and reserves. In comparison, in 2019, the 30 analysed enterprises had an average level of self-financing of 91%.

Cost-effectiveness

The enterprise operates with profits in the analysed period and it covers its total expenses with the total revenues, and generates a surplus of 1%, i.e., 5% for 2018. The average of this indicator for the 30 enterprises is only 4% for the five-year period, i.e., 3% for 2019. The financial revenues to financial expenses ratio is highly positive, but it is -84% for 2019.

Liquidity

The enterprise has low quick ratio, i.e., cash to cover the short-term liabilities (3% on average and 5% in 2019). The average of the 30 analysed enterprises is 115% for all five years and 164% for 2019. Improvement of the quick ratio could be achieved with receivables management and shortening the period required for collection thereof.

The picture gets better if, in addition to the cash, the receivables could also be considered as assets that can cover a short-term liability (by means of compensation). The average liquidity for the 5-year period is 95%, which decreased in 2019 and it was 86%.

It was already noted that due to the nature of the activity which is water supply, the enterprise has relatively low inventories, as compared to the receivables. Hence, the general liquidity, which also comprises the inventories as assets which by being sold can cover short-term liabilities, is not substantially higher than the current ratio. In the analysed period, the general liquidity is 100%, i.e. 90% in 2019.

Public Enterprise Strezevo, Bitola

Year	2019	2018	2017	2016	2015
Total revenues by years	243,126,560	212,073,632	227,327,767	223,947,196	219,867,376

The total revenues of the PE **Strezevo, Bitola** in 2019 increased by **10.6%** compared to 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0.0	%
Average rate of profitability in 2019	0.0	%
2015-2019: Average return on assets (ROA)	0.0	%
With such dynamics, the company would return the invested assets in	0	years
2015-2019: Average return on equity (ROE)	0.0	%
With such dynamics, the company would return the invested capital in	0	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	77	days
Disposal (sales) of inventories in 2019	75	days
2015-2019: It collects its trade receivables on average in	135	days
Collection of trade receivables in 2019	106	days
2015-2019: It pays the trade payables on average in	114	days
Payment of trade payables in 2019	109	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	95	%
The enterprise finances its assets from own sources in 2019	94	%
2015-2019: The remaining assets are financed by some form of borrowing	5	%
The remaining assets are financed by some form of borrowing in 2019	6	%
2015-2019: The average creditworthiness is	103	%
The average creditworthiness in 2019 is	107	%
2015-2019: The level of self-financing is	101	%
The level of self-financing in 2019 is	104	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-51	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-50	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	98,725.9	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	253,252.3	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	-41	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-48	%

Liquidity

2015-2019: The average quick ratio is	209	%
The average quick ratio is	450	%
2015-2019: The average current ratio is	605.1	%
The average current ratio in 2019 is	762.6	%
2015-2019: The average general liquidity is	826	%
The average general liquidity in 2019 is	983	%

Financial analysis – explanations

Profitability

The enterprise has been generating a net loss during all the years that are subject of this analysis. Since a prerequisite for conducting of profitability analysis is for the enterprise to have generated a net profit in at least one of the analysed years, the profitability indicators of this company have not been calculated.

Efficiency

The enterprise disposes of the inventories on average in 77 days, and 75 days in 2019. Both the average and the annual indicator are worse than the average (61 days for 5 years and 64 days for 2018).

In the 5-year period, the enterprise collected the receivables within 135 days on average, i.e., 106 days in 2019. These indicators are better than the average of the 30 analysed enterprises (253 days, i.e., 205 days for 2019).

The enterprise paid its liabilities during the analysed period in 114 days on average, and in 2019 this deadline was reduced to 109 days. Both the average five-year indicator and the indicator for 2019 are significantly better than the average (484 days on average, i.e., 365 in 2019).

Financial stability

The enterprise is primarily financed from own sources. On average, 95% of the enterprise's assets are financed from own sources (94% in 2019).

The creditworthiness and the level of self-financing of the enterprise are relatively high, with an average creditworthiness coefficient of 103% (107% in 2019) and an average level of self-financing of 101% (104% in 2019).

The enterprise has no long-term liabilities in the period 2015-2017, which explains the indicators for the financial stability, having regard to the fact that they indicate the capital and reserves ratio, the long-term provisioning and the long-term liabilities with the fixed assets (in this case the level of creditworthiness) and the fixed assets and inventories (in this case the level of self-financing).

Cost-effectiveness

The enterprise's operation is not cost-effective. It fails to cover the total expenses with the total revenues, i.e., -51% of the total expenses were not covered with the total revenues in the analysed period. This indicator in 2019 was -50%.

Due to the low financial expenses, as a result of financing from own sources, the enterprise has a high coefficient of covering the total financial expenses with the total financial revenues.

Liquidity

According to the most conservative liquidity indicator which is the quick ratio, the enterprise is capable of covering its short-term liabilities with its cash. The quick ratio is 209% on average (450% in 2019).

The less rigid liquidity indicators, which are the current ratio and the general liquidity, on average amount to 605% and 763%, respectively.

GRADSKI TRGOVSKI CENTAR AD Skopje (City Trade Centre)

Year	2019	2018	2017	2016	2015
Total revenues by years	224,103,839	210,078,805	202,107,168	230,087,124	232,184,660

The total revenues of **Gradski Trgovski Centar AD Skopje** in 2019 were MKD 224 million and they **dropped** by **-3.5%** compared to the total revenues in 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0.3	%
Average rate of profitability in 2019	0.0	%
2015-2019: Average return on assets (ROA)	0.1	%
With such dynamics, the company would return the invested assets in	1232	years
2015-2019: Average return on equity (ROE)	0.1	%
With such dynamics, the company would return the invested capital in	1179	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	40	days
Disposal (sales) of inventories in 2019	33	days
2015-2019: It collects its trade receivables on average in	189	days
Collection of trade receivables in 2019	209	days
2015-2019: It pays the trade payables on average in	89	days
Payment of trade payables in 2019	90	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	96	%
The enterprise finances its assets from own sources in 2019	95	%
2015-2019: The remaining assets are financed by some form of borrowing	4	%
The remaining assets are financed by some form of borrowing in 2019	5	%
2015-2019: The average creditworthiness is	184	%
The average creditworthiness in 2019 is	177	%
2015-2019: The level of self-financing is	176	%
The level of self-financing in 2019 is	170	%

Cost-effectiveness		
2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-13	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-16	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	1,757,362.6	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	816.4	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	-7	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-13	%
Liquidity		
2015-2019: The average quick ratio is	52	%
The average quick ratio is	14	%
2015-2019: The average current ratio is	1,273.0	%
The average current ratio in 2019 is	952.3	%
2015-2019: The average general liquidity is	1,345	%
The average general liquidity in 2019 is	1,003	%

Financial analysis – explanations

Profitability

In the first two analysed years, 2015 and 2016, as well as in 2019, the enterprise generated a net profit, whereas in the following two years (2017 and 2018) it generated a net loss, which makes the profitability analysis more difficult. In view of the fact that in two of the analysed four years the enterprise suffered a loss, it is expected that it will need a significantly longer period to return the invested assets and capital, compared to the average of the 30 analysed enterprises.

Hence, the enterprise would return the invested assets in 1 232 years (the average of the 30 enterprises is 38 years), and it would return the invested capital in 1 179 years (the average is 32 years).

Efficiency

The enterprise disposes of the inventories on average in 40 days. In 2019 this indicator improved and it was reduced to 33. Due to the nature of the services offered by the enterprise, which is mainly rent of business premises, it is expected this indicator to be lower than the average of the 30 enterprises (61 days on average, i.e., 64 days in 2019).

The enterprise collected its receivables in 189 days on average, followed by deterioration in 2019 when the enterprise collected its receivables in 209 days. However, these indicators are in line with the average of the 30 enterprises.

On the other hand, the enterprise paid its liabilities in 89 days on average, and in 2019 this indicator was 90 days. These indicators are significantly better than the average of the 30 enterprises.

The enterprise could improve its efficiency by better management of its own working capital, with a strong focus on the improvement of the receivable collection.

Financial stability

The enterprise finances most of its assets with its own sources and it has a low level of indebtedness on average (96% of the assets are financed by own sources). The enterprise's creditworthiness indicator is 184% on average in the analysed years (177% in 2019) and it has an average self-investment ratio of 176% (170% in 2019).

Cost-effectiveness

The enterprise's operation is not profitable. On average, in the analysed 5-year period, the enterprise has -13% of total expenses not covered by the total revenues. In 2019 this indicator has deteriorated compared to the 5-year average and amounts to -16%.

Since the enterprise is mainly financed by own assets and has very low financial expenses, it has no problem to cover the financial expenses with the financial revenues. As a result, it is obvious that the enterprise' problem lies in the low operating revenues.

Liquidity

The enterprise has a relatively good liquidity. The average quick ratio is 52%, but it deteriorated in 2019 and amounted to 14%. The reason for such deterioration is the deterioration in the average days sales outstanding in 2019 when in the same year, the enterprise on average settled its liabilities faster. Subsequently to the previous conclusion, the current ratio, which includes the cash and short-term receivables to cover the short-term liabilities, is on average significantly high because of the short-term receivables. In 2019 this indicator was 816.4%.

The general liquidity, which in addition to cash and short-term receivables also includes inventories, as the current ratio is on average significantly high (1.345%). For comparison purposes, this indicator for the 30 analysed enterprises is on average 445%.

Public Utility Enterprise TETOVO, Tetovo

Year	2019	2018	2017	2016	2015
Вкупни приходи по years	323,333,732	207,222,062	202,973,501	194,494,870	192,184,796

In 2018, the total revenues of the **Public Utility Enterprise TETOVO increased** by **68.2%** compared to 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	4.7	%
Average rate of profitability in 2019	22.7	%
2015-2019: Average return on assets (ROA)	1.4	%
With such dynamics, the company would return the invested assets in	73	years
2015-2019: Average return on equity (ROE)	3.0	%
With such dynamics, the company would return the invested capital in	33	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	15	days
Disposal (sales) of inventories in 2019	12	days
2015-2019: It collects its trade receivables on average in	1146	days
Collection of trade receivables in 2019	1,229	days
2015-2019: It pays the trade payables on average in	487	days
Payment of trade payables in 2019	424	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	46	%
The enterprise finances its assets from own sources in 2019	45	%
2015-2019: The remaining assets are financed by some form of borrowing	54	%
The remaining assets are financed by some form of borrowing in 2019	55	%
2015-2019: The average creditworthiness is	234	%
The average creditworthiness in 2019 is	211	%
2015-2019: The level of self-financing is	138	%
The level of self-financing in 2019 is	130	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-9	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-13	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	986.7	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	5,232.2	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	0	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	34	%

Liquidity

2015-2019: The average quick ratio is	0	%
The average quick ratio is	0	%
2015-2019: The average current ratio is	346.3	%
The average current ratio in 2019 is	339.4	%
2015-2019: The average general liquidity is	351	%
The average general liquidity in 2019 is	343	%

Financial analysis – explanations

Profitability

The enterprise has reported a loss in the financial statements in all analysed years, except in 2015. The enterprise's average rate of profitability is 4.7% for the five-year period, i.e., 22.7% for 2019. Although this indicator on average is lower than the one of the 30 analysed enterprises (6% for the five-year period), in 2019 the enterprise had a rate of profitability above the average of the 30 enterprises (6.5% in 2019).

The assets owned by the enterprise, with such a profit, would be restored in 73 years, and the invested and earned capital would be returned in 33 years, which return on assets is worse than the average (38 years, i.e., 32 years). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise sells its inventories on average in 15 days, and in 2019 in 12 days.

The collection of the enterprise's receivables is on average in 1 146 days in the 5-year period, i.e., 1 229 days in 2019. The days sales outstanding are significantly longer than the average of the 30 analysed enterprises (61 day on average, 64 days in 2019). Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise.

Unlike the collection, the enterprise paid its liabilities during the analysed period in 487 days on average, and in 2019 this deadline was reduced to 424 days.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 46% of the assets owned by the enterprise were financed by own sources (in 2019 it was 45%), whereas 54% (in 2019 it was 55%) of the owned assets were purchased at the expense of the suppliers (creditors).

The enterprise's creditworthiness is high and it can cover the total debts with its total capital and reserves (the average creditworthiness is 234%, i.e., 211% in 2019). The level of self-financing is in the safe zone (138% on average, i.e., 130% for 2019). These two indicators are higher than the average of the 30 analysed enterprises (88% on average, i.e., 91% in 2019).

Cost-effectiveness

The enterprise's operation was negative in the analysed period, leaving uncovered total expenses of average -9% (-13% in 2019). The financial revenues to financial expenses ratio is highly positive, however it has no significant impact on the improvement of the enterprise's overall profitability.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise does not have a quick ratio (0% on average in 2019 as well). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 346% on average, i.e., 339% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

Public Utility Enterprise Water Supply, Kocani

Year	2019	2018	2017	2016	2015
Total revenues by years	228,786,510	203,212,219	182,076,691	176,252,263	175,725,595

In 2019, the total revenues of the **Public Utility Enterprise Water Supply, Kocani** increased by **30.2%** compared to 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	0.7	%
Average rate of profitability in 2019	0.1	%
2015-2019: Average return on assets (ROA)	0.2	%
With such dynamics, the company would return the invested assets in	636	years
2015-2019: Average return on equity (ROE)	0.2	%
With such dynamics, the company would return the invested capital in	416	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	21	days
Disposal (sales) of inventories in 2019	13	days
2015-2019: It collects its trade receivables on average in	473	days
Collection of trade receivables in 2019	402	days
2015-2019: It pays the trade payables on average in	160	days
Payment of trade payables in 2019	107	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	56	%
The enterprise finances its assets from own sources in 2019	32	%
2015-2019: The remaining assets are financed by some form of borrowing	44	%
The remaining assets are financed by some form of borrowing in 2019	69	%
2015-2019: The average creditworthiness is	87	%
The average creditworthiness in 2019 is	41	%
2015-2019: The level of self-financing is	79	%
The level of self-financing in 2019 is	38	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	1	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	0	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	14.9	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	23.9	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	1	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	0	%

Liquidity

2015-2019: The average quick ratio is	3	%
The average quick ratio is	6	%
2015-2019: The average current ratio is	348.0	%
The average current ratio in 2019 is	389.3	%
2015-2019: The average general liquidity is	362	%
The average general liquidity in 2019 is	402	%

Financial analysis – explanations

Profitability

The enterprise has low profitability rates: average 0.7% for the analysed 5 years and only 0.1% for 2019. The average of the 30 analysed enterprises is 6.0% for the 5 years and 6.5% for 2019.

The assets owned by the enterprise, with such a profitability rate, would be restored in 636 years, and the invested and earned capital would be returned in 416 years, which is significantly worse than the average (38 years, i.e., 32 years). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise sells its inventories on average in 21 days, and in 2019 in 13 days. This indicator is better than the average. The average indicator of the analysed enterprises is 61 days for the 5-year period and 64 days for 2019.

The enterprise collects the receivables of the enterprise within 473 days on average for the 5-year period, i.e., 402 in 2019. The days of collection of receivables are significantly longer than the average of the 30 analysed enterprises (average 253 days, 205 days in 2019). Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise.

Unlike the collection, in the analysed period, the enterprise paid its liabilities in 160 days on average, and in 2019 this deadline was reduced to 107 days. The days payable outstanding are significantly shorter than the average of the 30 analysed enterprises (average 484 days, 365 days in 2019).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 56% of the assets owned by the enterprise were financed by own sources (in 2019 it was 32%), whereas 44% (in 2019 it was 69%) of the owned assets were purchased at the expense of the suppliers (creditors).

The enterprise's creditworthiness is high and it can cover the total debts with its total capital and reserves (the average creditworthiness is 87%, but only 41% in 2018). The average level of self-financing is good (79% on average, but only 38% in 2019). The sudden deterioration of these two indicators in 2019 points to the need of careful monitoring and management in the future.

Cost-effectiveness

The enterprise's operation in the analysed period was positive, generating 1% surplus in the analysed period of 5 years, and in 2019, the expenses were almost equal to the revenues. The financial revenues to financial expenses ratio is positive, but it has no significant impact on the financial results (14.9% on average, i.e. 23.9% in 2019).

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has a poor quick ratio of average 3%, and 6% in 2019. This ratio is significantly better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will be as high as 348% on average, i.e., 389% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

Joint Stock Company for Production of Electricity Thermal Power Plant, Negotino

Year					
Total revenues by years	2019	2018	2017	2016	2015
	194,553,764	195,047,383	184,377,429	194,747,512	193,314,390

The total revenues of the **Joint Stock Company for Production of Electricity Thermal Power Plant, Negotino** in 2019 **increased** by only **0.6%** compared to 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	3.7	%
Average rate of profitability in 2019	5.5	%
2015-2019: Average return on assets (ROA)	1.0	%
With such dynamics, the company would return the invested assets in	100	years
2015-2019: Average return on equity (ROE)	1.0	%
With such dynamics, the company would return the invested capital in	99	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	213	days
Disposal (sales) of inventories in 2019	215	days
2015-2019: It collects its trade receivables on average in	104	days
Collection of trade receivables in 2019	57	days
2015-2019: It pays the trade payables on average in	32	days
Payment of trade payables in 2019	14	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	99	%
The enterprise finances its assets from own sources in 2019	99	%
2015-2019: The remaining assets are financed by some form of borrowing	1	%
The remaining assets are financed by some form of borrowing in 2019	1	%
2015-2019: The average creditworthiness is	147	%
The average creditworthiness in 2019 is	161	%
2015-2019: The level of self-financing is	120	%
The level of self-financing in 2019 is	128	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	5	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	7	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	1,877.6	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	-98.5	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	5	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	7	%

Liquidity

2015-2019: The average quick ratio is	1,025	%
The average quick ratio is	2,019	%
2015-2019: The average current ratio is	1,860.6	%
The average current ratio in 2019 is	2,479.5	%
2015-2019: The average general liquidity is	3,543	%
The average general liquidity in 2019 is	4,206	%

Financial analysis – explanations

Profitability

The enterprise has low profitability rates: 3.7% on average for the 5 analysed years and 5.5% for 2019. The average of the 30 analysed enterprises is 6.0% for the 5 years and 6.5% for 2020.

The assets owned by the enterprise, with such profitability rate, would be restored in 100 years, and the invested and earned capital would be returned in 99 years, figures which are significantly worse than the average (38 years, i.e., 32 years). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise sells its inventories in 213 days on average, and in 2019 in 215 days. This indicator is significantly worse than the average. The average indicator of the analysed enterprises is 61 days for the 5-year period and 64 days for 2019.

The enterprise collects the receivables within 104 days on average for the 5-year period, i.e., 57 in 2019. The days sales outstanding are significantly shorter than the average of the 30 analysed enterprises (average 253 days, 205 days in 2019).

The enterprise paid its liabilities during the analysed period in 32 days on average, and in 2019 this deadline was increased to 14 days. The days payable outstanding are significantly shorter than the average of the 30 analysed enterprises (average 484 days, 365 days in 2019).

Financial stability

The sources of assets financing show the financial stability of the enterprise. 99% of the assets owned by the enterprise are financed by own sources (for 2019 it is also 99%), whereas only 1% (for 2019, it is also 1%) of the owned assets were purchased at the expense of the suppliers (creditors).

The enterprise is creditworthy and it can cover the total debts with its total capital and reserves (the average creditworthiness is 147%, i.e., 161% in 2019). The level of self-financing is high (120% on average, i.e., 128% in 2019). These two indicators are significantly within the average of the 30 analysed enterprises.

Cost-effectiveness

The enterprise's operation in the analysed period was positive, generating 5% surplus in the analysed period of 5 years, and in 2019 this indicator is 7%. The financial revenues to financial expenses ratio in the five-year average is highly positive, but in 2019 it entered the negative zone. However, this has no significant impact on the financial result.

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has a high quick ratio of incredible 1 025% on average and as high as 2 019% in 2019. This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will be as high as 1 861% on average, i.e., 2 480% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

Public Utility Enterprise DERVEN, Veles

Year	2019	2018	2017	2016	2015
Total revenues by years	194,468,988	179,390,603	189,623,480	190,378,997	193,415,915

In 2019, the total revenues of the **Public Utility Enterprise Derven, Veles** insignificantly **increased by 0.5%** compared to 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	2.8	%
Average rate of profitability in 2019	0.0	%
2015-2019: Average return on assets (ROA)	0.8	%
With such dynamics, the company would return the invested assets in	125	years
2015-2019: Average return on equity (ROE)	0.8	%
With such dynamics, the company would return the invested capital in	121	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	19	days
Disposal (sales) of inventories in 2019	18	days
2015-2019: It collects its trade receivables on average in	598	days
Collection of trade receivables in 2019	541	days
2015-2019: It pays the trade payables on average in	167	days
Payment of trade payables in 2019	293	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	94	%
The enterprise finances its assets from own sources in 2019	89	%
2015-2019: The remaining assets are financed by some form of borrowing	6	%
The remaining assets are financed by some form of borrowing in 2019	11	%
2015-2019: The average creditworthiness is	186	%
The average creditworthiness in 2019 is	169	%
2015-2019: The level of self-financing is	181	%
The level of self-financing in 2019 is	165	%

Cost-effectiveness		
2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	-2	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	-10	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	18,906.1	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	7,571.1	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	0	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	-7	%
Liquidity		
2015-2019: The average quick ratio is	64	%
The average quick ratio is	57	%
2015-2019: The average current ratio is	1,278.9	%
The average current ratio in 2019 is	561.1	%
2015-2019: The average general liquidity is	1,318	%
The average general liquidity in 2019 is	577	%

Financial analysis – explanations

Profitability

The average rate of profitability in the analysed 5 years is 2.8%. As in 2019 the enterprises reported a net loss, this indicator for that year is zero.

The assets owned by the enterprise, with such a profitability rate, would be restored in 125 years, and the invested and earned capital would be returned in 21 years, which is significantly worse than the average (38 years, i.e., 32 years). In the private sector, the period of return on invested capital is usually 10 years.

Efficiency

The enterprise sells its inventories on average in 29 days, and in 2019 this deadline was reduced to 18 days.

The enterprise collects the receivables of the enterprise within 598 days on average for the 5-year period, i.e., 541 in 2019. The days sales outstanding are significantly longer than the average of the 30 analysed enterprises (average 61 days, 64 days in 2019). Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise.

Unlike the collection, the enterprise paid its liabilities during the analysed period in 167 days on average, and in 2019 this deadline was extended to 293 days. These indicators are better than the average which is 484 for the five-year period, i.e., 365 days in 219.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 94% of the assets owned by the enterprise were financed by own sources (in 2019 it was 89%), whereas 6% (in 2019 it was 11%) of the owned assets were purchased at the expense of the suppliers (creditors).

The enterprise's creditworthiness is high and it can cover the total debts with its total capital and reserves (the average creditworthiness is 189%, i.e., 169% in 2019). The level of self-financing is in the safe zone (181% on average, i.e., 165% for 2019). These two indicators are significantly higher than the average of the 30 analysed enterprises.

Cost-effectiveness

The enterprise's operation in the analysed period was not positive, it did not generate surplus in the analysed period of 5 years, and in 2019, the expenses were higher than the revenues by 10%. The financial revenues to financial expenses ratio is highly positive but it has no significant impact on the financial results (18 906% on average, i.e., 7 571% in 2019).

Liquidity

Liquidity is the lowest quality indicator for analysis because it calculates short-term positions from the enterprise balance sheets. The enterprise has a quick liquidity of average 64% and 57% for 2018, which is worse than the average of 115% for the 5-year period, i.e., 164% for 2019. This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will be as high as 1 279% on average, i.e., 561% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, further improves the image of the enterprise's liquidity.

JSC for Organizing Games of Chance State Lottery, Skopje

Year	2019	2018	2017	2016	2015
Total revenues by years	557,133,940	96,455,438	282,138,473	199,305,238	131,924,377

The total revenues of the JSC for Organizing Games of Chance State Lottery, Skopje increased by 322.3% in 2018 compared to 2015.

Average financial indicators of the enterprise for the period 2015 -2019

Profitability		
2015-2019: Average rate of profitability of the enterprise	33.3	%
Average rate of profitability in 2019	55.1	%
2015-2019: Average return on assets (ROA)	12.6	%
With such dynamics, the company would return the invested assets in	8	years
2015-2019: Average return on equity (ROE)	14.7	%
With such dynamics, the company would return the invested capital in	7	years
Efficiency		
2015-2019: The enterprise disposes of the inventories on average in	145	days
Disposal (sales) of inventories in 2019	138	days
2015-2019: It collects its trade receivables on average in	107	days
Collection of trade receivables in 2019	82	days
2015-2019: It pays the trade payables on average in	34	days
Payment of trade payables in 2019	34	days
Financial stability		
2015-2019: The enterprise finances its assets from own sources	87	%
The enterprise finances its assets from own sources in 2019	82	%
2015-2019: The remaining assets are financed by some form of borrowing	13	%
The remaining assets are financed by some form of borrowing in 2019	18	%
2015-2019: The average creditworthiness is	146	%
The average creditworthiness in 2019 is	198	%
2015-2019: The level of self-financing is	125	%
The level of self-financing in 2019 is	159	%

Cost-effectiveness

2015-2019: The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage	18	%
The enterprise covers the incurred total expenses with the total revenues and generates surplus/shortage in 2019	40	%
2015-2019: The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage	2,120,549.4	%
The enterprise covers the incurred financial expenses with the financial revenues and generates surplus/shortage in 2019	7,014,073.8	%
2015-2019: The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage	68	%
The enterprise covers the incurred regular and financial expenses with the regular and financial revenues and generates surplus/shortage in 2019	132	%

Liquidity

2015-2019: The average quick ratio is	154	%
The average quick ratio is	219	%
2015-2019: The average current ratio is	211.1	%
The average current ratio in 2019 is	265.1	%
2015-2019: The average general liquidity is	281	%
The average general liquidity in 2019 is	324	%

Financial analysis – explanations

Profitability

The enterprise generated net profit in all analysed years. The average rate of profitability of the enterprise is 33.3%, which is almost 6 times higher than the average of the 30 analysed enterprises (6.0%). The rate of profitability of the enterprise in 2019 is 55.1% which is almost 9 times better than the average of the analysed enterprises in the same year (6.5%).

In such conditions, the ROA coefficient is 12.6% which is higher than the average of 2.7%, and the ROE coefficient is 14.7%, which is also higher than the average of 3.2%.

Therefore, with the current dynamics, the enterprise would return the invested assets in 8 years, and the invested capital in 7 years. These rates of return are significantly better than the average of the analysed enterprises and are highly competitive to the private sector.

Efficiency

The enterprise sells its inventories on average in 145 days, and in 2019 in 138 days.

The collection of the enterprise's receivables has a trend of improvement and it is 107 days on average in the 5-year period, i.e., 82 days in 2019. Reducing the deadlines for collection of receivables means improvement in the receivable management of the enterprise.

Unlike the collection, the enterprise paid its liabilities on average in a shorter time than time required for collection of the receivables by 34 days (the average for 2019), which is significantly better than the average (484 days for the 5-year period, i.e., 365 days in 2019).

Although there is room for improvement of the working capital, the management of the receivables and the liabilities of the enterprise is significantly better compared to the other enterprises that are subject to this analysis.

Financial stability

The sources of assets financing show the financial stability of the enterprise. 87% of the assets owned by the enterprise were financed by own sources (82% in 2019), whereas 13% (18% in 2019) of the owned assets were purchased at the expense of the suppliers (creditors).

The enterprise's creditworthiness is high and it can cover the total debts with its total capital and reserves (the average creditworthiness is 146%, i.e., 198% in 2019). The level of self-financing is in the safe zone (125% on average, i.e., 159% for 2019)

Cost-effectiveness

The enterprise operates with profits, fully covering its total expenses and generating 18% revenue surplus (40% in 2018). In comparison, as an average, the 30 analysed enterprises generated a 4% surplus in the analysed 5-year period, i.e., only a 3% surplus in 2019. The financial revenues to financial expenses ratio is highly positive.

Liquidity

The enterprise has a high liquidity. The funds are sufficient to cover the short-term liabilities (the average quick ratio is 154%, i.e., 219% in 2019). This ratio is better if the receivables are also included as assets that can close a long-term liability (by means of compensation), then the current ratio will amount to 211% on average, i.e., 265% in 2019. The general liquidity, on the other hand, by including the inventories as an asset that can cover the short-term liabilities, additionally improves the image about the enterprise's liquidity (281% on average, i.e. 324% in 2019).

