

FINANCIAL ANALYSIS SAMPLE REPORT

ADEL Kalemcilik Ticaret ve Sanayi A.S. | 2023-2025

DEMONSTRATION PURPOSE

This 5-page sample illustrates the style, depth and decision-support approach of the Professional Financial Health Check. It is a shortened demonstration based on the financial data used in our internal test model. A full client report normally includes additional diagnostics, working-capital detail, ratio appendix and management action framework.

What the Professional package is designed to answer

- Where is financial performance improving or deteriorating?
- Are liquidity and working-capital dynamics creating cash pressure?
- Is debt growth supported by operating performance and asset productivity?
- Which financial issues deserve management attention first?
- What additional operating data should management investigate before acting?

Analysis basis

Scope	Coverage
Period	2023-2025
Reporting unit	1,000 TRY
Core areas	Profitability, liquidity, efficiency, leverage, working capital
Method	Trend + ratio + cross-metric diagnostic
Status	Sample / not a client engagement

Important: This sample is for demonstration only. It is not investment advice, audit assurance, tax advice or a substitute for management judgment.

1. Executive Summary

LIQUIDITY	LEVERAGE	PROFITABILITY
HIGH ATTENTION	ELEVATED	LOSS-MAKING
EFFICIENCY	CURRENT RATIO	ROE
BROAD SLOWDOWN	0.96x	-37.7%

OVERALL FINANCIAL ASSESSMENT

The latest-year profile shows simultaneous pressure across profitability, liquidity and leverage. Revenue contracted while gross and operating margins weakened materially. Working-capital efficiency deteriorated, inventories expanded despite lower revenue, and financial debt increased. The combined pattern suggests that management should address operating recovery, cash conversion and financing structure together rather than treat them as isolated ratio issues.

TOP 3 MANAGEMENT PRIORITIES

1. Restore operating profitability by identifying the drivers of revenue decline and margin compression.
2. Rebuild short-term liquidity through inventory, receivables and cash-conversion discipline.
3. Review debt growth, maturity structure and the use of borrowed funds to reduce refinancing pressure.

KEY MANAGEMENT QUESTIONS

- What specifically drove the 11.5 percentage-point decline in gross margin?
- Why did inventories rise by 43.5% while revenue declined by 22.6%?
- What drove the 67.2% increase in financial debt and what did the borrowing finance?
- How much of the latest-year loss is recurring versus non-recurring?
- What portion of debt and other obligations falls due within the next 12 months?

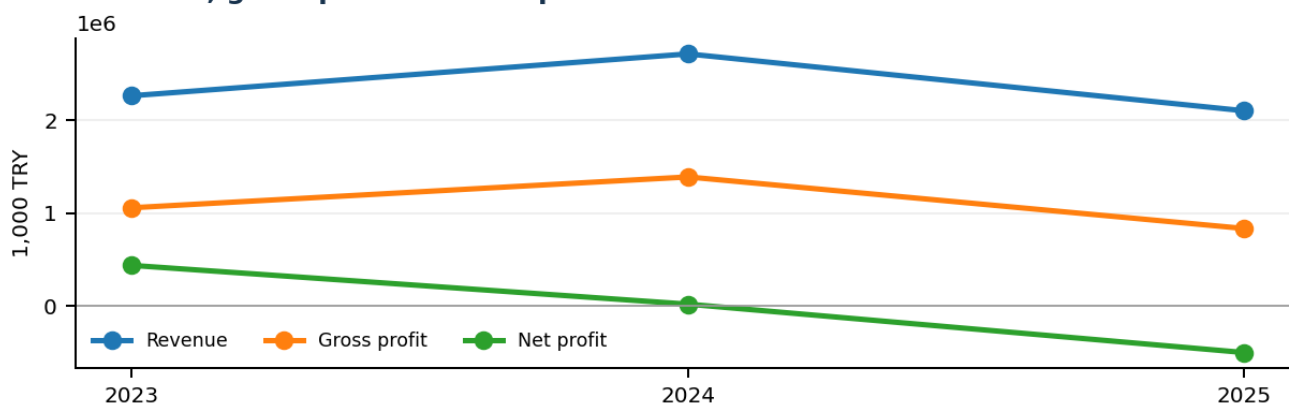
ANALYST PRINCIPLE

The report distinguishes observed financial signals from possible explanations. Potential causes are framed as management questions unless the supplied data directly supports a conclusion.

2. Revenue & Profitability

Metric	2023	2024	2025
Revenue	2,261,755	2,711,979	2,099,613
Gross Profit	1,055,952	1,387,911	832,782
Operating Profit (EBIT)	385,513	323,385	(207,295)
Net Profit	435,966	18,644	(502,366)
Gross Margin	46.7%	51.2%	39.7%
Operating Margin	17.0%	11.9%	(9.9%)
Net Margin	19.3%	0.7%	(23.9%)

Revenue, gross profit and net profit



INTEGRATED ANALYSIS

Revenue declined by 22.6% year on year while gross profit decreased by approximately 40.0%. More importantly, gross margin contracted by 11.5 percentage points, from 51.2% to 39.7%. Operating margin then moved from +11.9% to -9.9% and net margin to -23.9%. This indicates deterioration at multiple levels rather than a bottom-line issue alone.

WHY IT MATTERS

A simultaneous decline in sales and gross margin can place pressure on the entire cost structure. The available statements do not identify whether price/mix, input costs, volume, FX or another factor dominates; management should build a revenue-to-gross-margin bridge before choosing corrective actions.

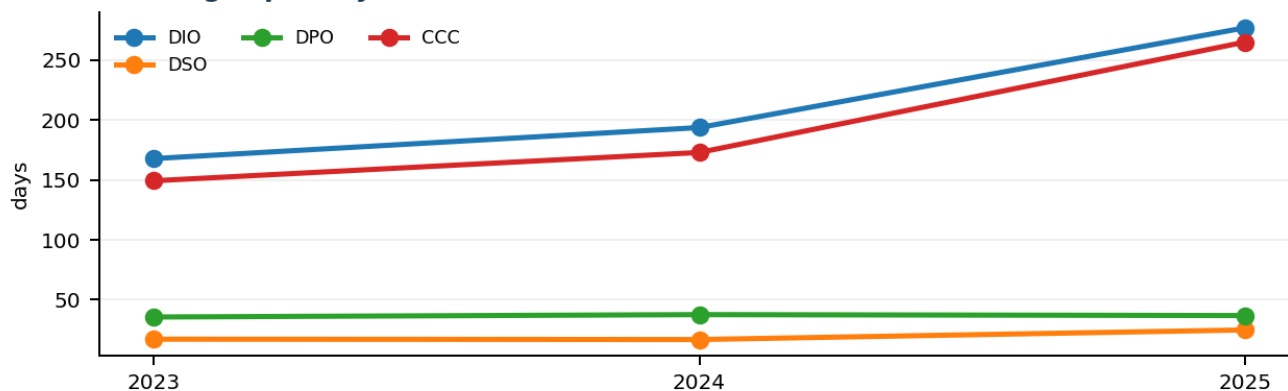
MANAGEMENT FOCUS

- Separate revenue change into volume, price and mix effects.
- Identify products/customers contributing most to margin compression.
- Distinguish recurring operating pressure from non-recurring items.
- Set margin recovery targets alongside revenue targets rather than focusing on sales alone.

3. Liquidity, Working Capital & Efficiency

Metric	2023	2024	2025
Current Ratio	1.30x	2.17x	0.96x
Quick Ratio	0.86x	1.21x	0.36x
Cash Ratio	0.56x	0.80x	0.21x
Working Capital	417,755	965,551	(72,043)
DIO	167.8 days	193.7 days	276.9 days
DSO	17.1 days	16.8 days	24.8 days
Cash Conversion Cycle	149.3 days	172.9 days	265.0 days

Working capital cycle



INTEGRATED ANALYSIS

Short-term liquidity weakened sharply in 2025. The current ratio fell to 0.96x, while quick ratio declined to 0.36x. Working capital moved from a positive 965.6 million TRY (reported unit basis) to a negative 72.0 million TRY. At the same time, inventory days increased by more than 83 days and the estimated cash conversion cycle extended to about 265 days.

CROSS-METRIC SIGNAL

Inventories increased by approximately 43.5% while revenue declined by 22.6%. When combined with slower inventory turnover and a longer cash cycle, this divergence points to higher working-capital intensity and greater dependence on financing.

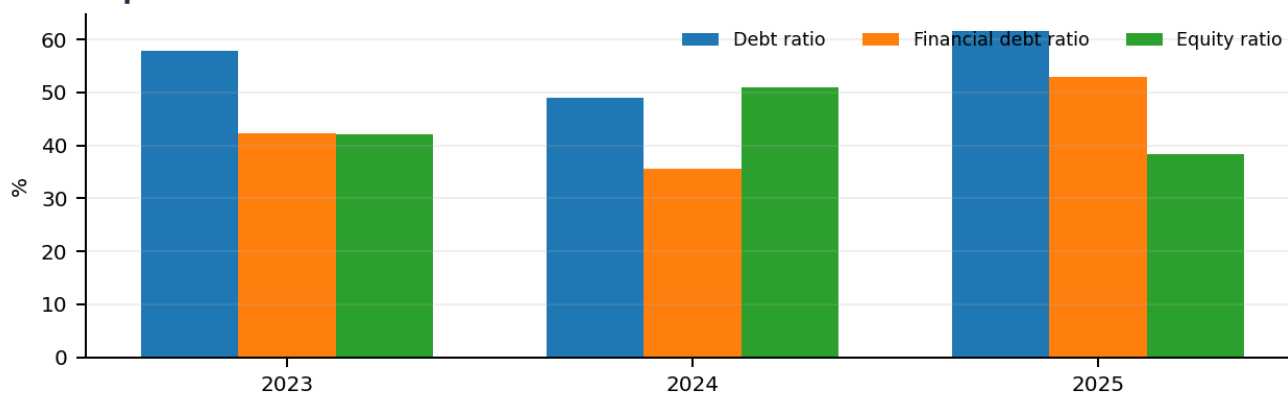
MANAGEMENT FOCUS

- Review inventory ageing and slow-moving stock.
- Map short-term maturities against expected operating cash generation.
- Analyse customer payment behaviour and receivable concentration.
- Establish explicit targets for inventory days, DSO and minimum liquidity.

4. Capital Structure & Management Action Framework

Metric	2023	2024	2025
Debt Ratio	57.8%	49.0%	61.7%
Debt-to-Equity	1.37x	0.96x	1.61x
Equity Ratio	42.2%	51.0%	38.3%
Financial Debt Ratio	42.3%	35.5%	53.0%
Financial Debt	1,112,698	1,007,624	1,684,353

Capital structure



INTEGRATED ANALYSIS

Financial debt increased by approximately 67.2% in the latest year, substantially faster than total asset growth, while total equity declined by about 16.1%. Debt-to-equity increased to 1.61x and financial debt reached 53.0% of total assets. Because profitability also turned negative, the rise in leverage deserves attention not only as a balance-sheet ratio but as a financing-flexibility issue.

ILLUSTRATIVE MANAGEMENT ACTION FRAMEWORK

Priority	Immediate diagnostic	Management decision supported
1. Profitability	Revenue/margin bridge by product/customer	Where should margin recovery actions be concentrated?
2. Working capital	Inventory ageing + DSO/DIO/CCC review	How much cash can be released from operations?
3. Financing	Debt maturity/cost/use-of-funds map	Is debt structure sustainable under current earnings?

WHAT THE FULL PROFESSIONAL REPORT ADDS

Expanded ratio appendix, full cross-metric diagnostics, working-capital detail, management priorities, client-specific questions, analyst notes, methodology and data limitations. Typical Professional report: 10-14 pages.

End of sample - Financial Health Check Professional