

Petrof

Piano Manufacturer

08 Mar 2014



Czech Republic

COMPANY DESCRIPTION

Petrof is a Czech Republic-based piano manufacturer. The Company was founded in 1864 in Hradec Králové by Antonín Petrof, who had studied piano making in Vienna. The Company makes grand pianos and upright pianos in many sizes and types for professionals as well as beginners. Petrof is a family-owned and run Company led by Mgr. Zuzana Ceralová Petrofová, the representative of the 5th generation. Petrof pianos are produced in a factory in Hradec Králové, Czech Republic. Some 90% production is exported to more than 70 countries in the world

Main Shareholders: Mgr. Zuzana Ceralova-Petrofova (77.0%)
Olga Hynkova (19.0%)

INCOME STATEMENT

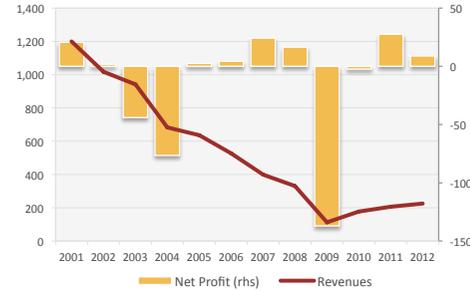
| CZK mil | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|--------------|---------------|--------------|--------------|--------------|
| Sales | 330.0 | 112.1 | 177.6 | 206.6 | 225.6 |
| Cost of Goods & Services | 189.4 | 68.3 | 90.9 | 98.7 | 111.0 |
| Gross Profit | 140.5 | 43.7 | 86.7 | 107.9 | 114.7 |
| Staff Cost | 138.3 | 87.9 | 69.7 | 73.4 | 79.8 |
| Other Cost | -19.8 | 68.6 | 0.7 | 5.7 | 16.5 |
| EBITDA | 22.1 | -112.7 | 16.2 | 28.8 | 18.4 |
| Depreciation | 13.7 | 11.5 | 9.4 | 8.2 | 7.5 |
| EBIT | 8.4 | -124.2 | 6.8 | 20.5 | 10.9 |
| Financing Cost | -8.0 | 13.1 | 9.4 | 6.6 | 2.0 |
| Extraordinary Cost | -0.1 | -0.3 | -0.3 | -13.6 | -0.1 |
| Pre-Tax Profit | 16.5 | -137.0 | -2.3 | 27.6 | 9.0 |
| Tax | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Profit | 16.5 | -137.0 | -2.3 | 27.6 | 9.0 |
| Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | |
|--------------------------|---------------|----------------|----------------|---------------|---------------|
| Sale Growth | -17.3% | -66.0% | 58.4% | 16.3% | 9.2% |
| EBIT Growth | -76.6% | -1574% | -105.5% | 202.9% | -47.0% |
| Net Profit Growth | -31.8% | -928.6% | -98.3% | -1295% | -67.4% |

CASH FLOW

| CZK mil | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------------|--------------|-------------|--------------|--------------|--------------|
| Net Profit | 16.5 | -137.0 | -2.3 | 27.6 | 9.0 |
| Depreciation | 13.7 | 11.5 | 9.4 | 8.2 | 7.5 |
| Non-Cash Items | -5.2 | 15.9 | -6.9 | -3.1 | -28.7 |
| Change in Working Capital | -15.3 | 108.1 | 4.9 | -13.7 | 21.5 |
| Total Cash From Operations | 9.8 | -1.5 | 5.1 | 19.0 | 9.3 |
| Capital Expenditures | -49.8 | -1.6 | 0.1 | -14.2 | -2.5 |
| Other | 92.1 | 1.8 | 6.7 | 0.4 | 10.6 |
| Total Cash From Investing | 42.4 | 0.2 | 6.9 | -13.9 | 8.1 |
| Dividends Paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Issuance Of Shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Issuance Of Debt | -24.2 | -5.9 | -0.5 | -23.2 | -2.4 |
| Total Cash From Financing | -53.5 | 6.0 | -12.3 | -2.4 | -23.2 |
| NET CHANGE IN CASH | -1.3 | 4.6 | -0.4 | 2.8 | -5.8 |

REVENUES & PROFITS, CZK mil



BALANCE SHEET

| CZK mil | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Non-Current Assets | 174.4 | 163.9 | 146.7 | 135.4 | 141.9 |
| Property, Plant & Equipment | 170.8 | 152.2 | 143.2 | 131.5 | 138.5 |
| Current Assets | 393.8 | 257.0 | 249.0 | 265.7 | 253.1 |
| Inventories | 200.8 | 148.6 | 145.2 | 150.3 | 163.1 |
| Receivables | 184.3 | 100.8 | 91.0 | 105.5 | 75.6 |
| Cash & Cash Equivalents | 3.2 | 2.8 | 7.4 | 1.6 | 4.4 |
| Total Assets | 571.6 | 423.5 | 398.9 | 404.0 | 396.6 |
| Shareholders' Equity | 411.1 | 283.5 | 271.9 | 298.9 | 307.6 |
| Liabilities | 160.5 | 140.0 | 126.9 | 105.1 | 89.0 |
| Non-Current Liabilities | 0.0 | 6.5 | 0.0 | 0.0 | 0.0 |
| Long-Term Debt | 0.0 | 6.5 | 0.0 | 0.0 | 25.4 |
| Current Liabilities | 76.7 | 61.4 | 47.5 | 41.6 | 33.2 |
| Short-Term Debt | 82.1 | 69.7 | 75.7 | 52.4 | 24.6 |
| Trade Payables | 45.1 | 17.6 | 9.2 | 15.2 | 19.7 |

| | | | | | |
|------------------------|---------------|---------------|--------------|---------------|---------------|
| Asset Growth | -0.8% | -25.9% | -5.8% | 1.3% | -1.8% |
| Net Debt Growth | -19.4% | -6.9% | -7.0% | -25.5% | -10.2% |
| Equity Growth | 1.8% | -31.0% | -4.1% | 9.9% | 2.9% |

RATIOS & OTHER

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|-------|---------|-------|-------|-------|
| Gross Margin | 42.6% | 39.0% | 48.8% | 52.2% | 50.8% |
| EBITDA Margin | 6.7% | -100.6% | 9.1% | 13.9% | 8.2% |
| EBIT Margin | 2.6% | -110.8% | 3.8% | 9.9% | 4.8% |
| Net Margin | 5.0% | -122.3% | -1.3% | 13.3% | 4.0% |
| ROE | 4.1% | -39.5% | -0.8% | 9.7% | 3.0% |
| ROCE | 3.2% | -30.1% | -0.6% | 7.4% | 2.4% |
| Net Debt/Equity | 19.2% | 25.9% | 25.1% | 17.0% | 14.8% |
| Net Debt/EBITDA | 3.6 | -0.7 | 4.2 | 1.8 | 2.5 |
| Cost of Financing | -8.5% | 16.5% | 12.3% | 10.2% | 3.8% |
| Payout Ratio | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Cash Conversion Cycle | 504 | 1028 | 733 | 686 | 594 |
| FX TO USD (Average) | 17.0 | 19.1 | 19.1 | 17.7 | 19.6 |
| FX TO USD (Year-End) | 19.2 | 18.4 | 18.7 | 19.7 | 19.0 |

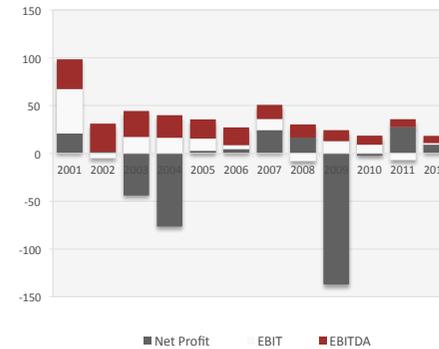
Source: Company data, Helgi Analytics calculation



www.HelgiAnalytics.com

Financials

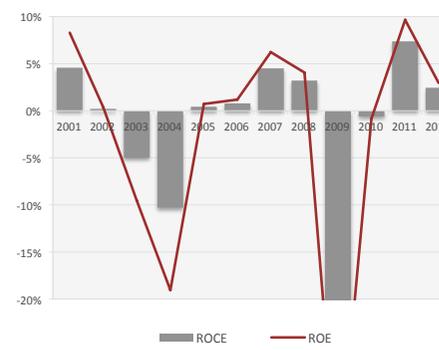
FROM EBITDA TO NET PROFIT CZK mil



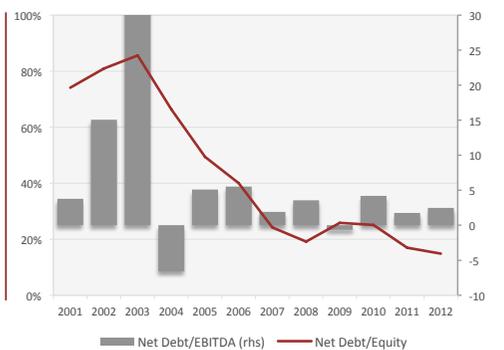
PROFIT MARGIN



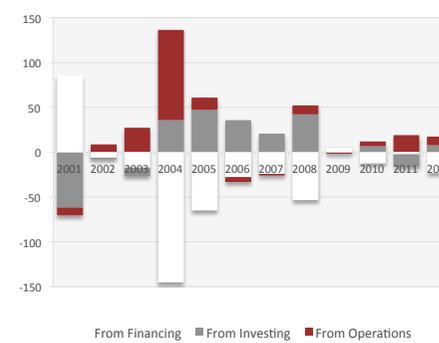
ROE & ROCE



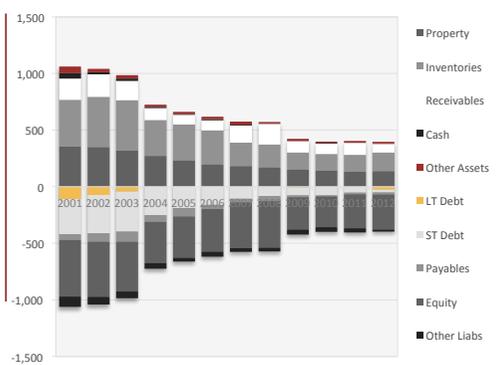
INDEBTEDNESS



CASH FLOW SUMMARY CZK mil



BALANCE SHEET STRUCTURE, CZK mil



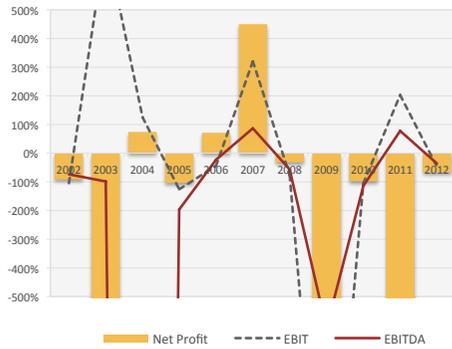
Source: Company data, Helgi Analytics calculation



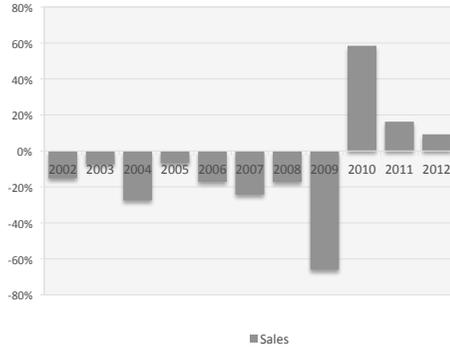
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Momentum

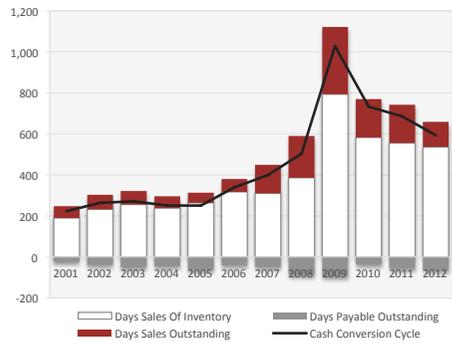
PROFIT GROWTH



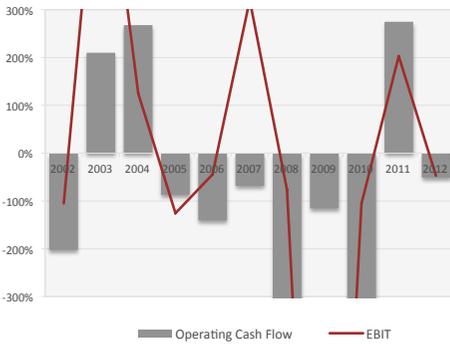
SALES GROWTH



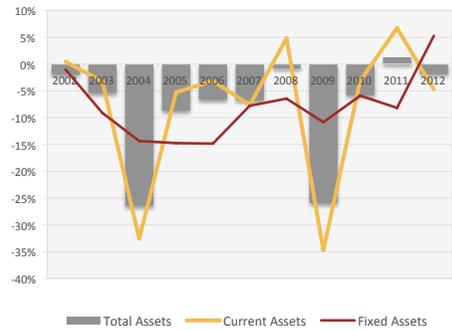
CASH CONVERSION CYCLE (days)



OPERATING CASH FLOW GROWTH



ASSET GROWTH



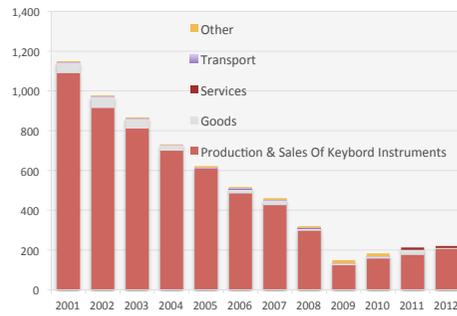
EQUITY & LIABILITIES GROWTH



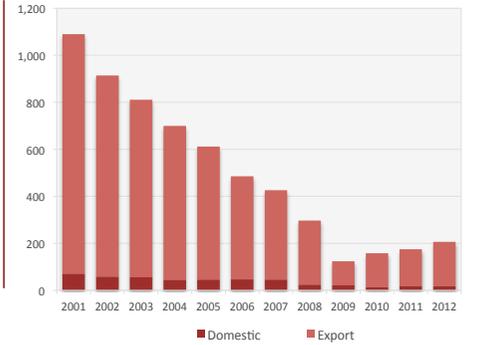
Source: Company data, Helgi Analytics calculation

Business & Market Specifics

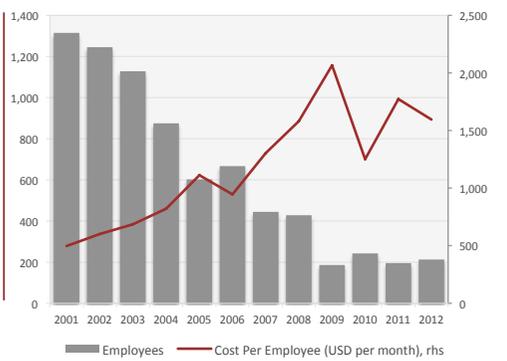
PETROF'S SALES BREAKDOWN (CZK mil)



DOMESTIC SALES & EXPORT OF KEYBOARD INSTRUMENTS



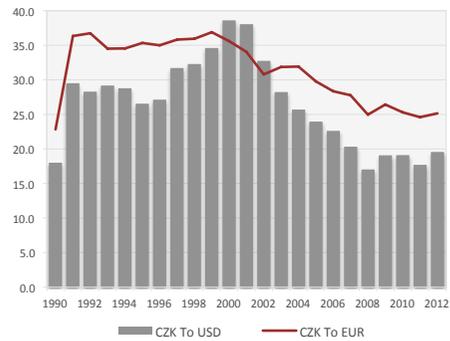
PETROF'S WORKFORCE



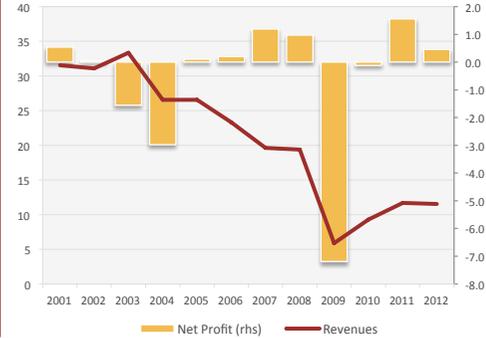
Source: Company data, Helgi Analytics calculation

Financials (USD)

FX TO USD



REVENUES & PROFITS (USD mil)



INCOME STATEMENT

| USD mil | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|---------------|----------------|----------------|---------------|---------------|
| Sales | 19.4 | 5.9 | 9.3 | 11.7 | 11.5 |
| Cost of Goods & Services | 11.1 | 3.6 | 4.8 | 5.6 | 5.7 |
| Gross Profit | 8.3 | 2.3 | 4.5 | 6.1 | 5.9 |
| Staff Cost | 8.1 | 4.6 | 3.6 | 4.1 | 4.1 |
| Other Cost | -1.2 | 3.6 | 0.0 | 0.3 | 0.8 |
| EBITDA | 1.3 | -5.9 | 0.8 | 1.6 | 0.9 |
| Depreciation | 0.8 | 0.6 | 0.5 | 0.5 | 0.4 |
| EBIT | 0.5 | -6.5 | 0.4 | 1.2 | 0.6 |
| Financing Cost | -0.5 | 0.7 | 0.5 | 0.4 | 0.1 |
| Extraordinary Cost | 0.0 | 0.0 | 0.0 | -0.8 | 0.0 |
| Pre-Tax Profit | 1.0 | -7.2 | -0.1 | 1.6 | 0.5 |
| Tax | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Profit | 1.0 | -7.2 | -0.1 | 1.6 | 0.5 |
| Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sale Growth | -1.4% | -69.6% | 58.0% | 25.7% | -1.2% |
| EBIT Growth | -72.0% | -1417% | -105.4% | 227.3% | -52.1% |
| Net Profit Growth | -18.7% | -840.7% | -98.3% | -1392% | -70.5% |

BALANCE SHEET

| USD mil | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|---------------|---------------|--------------|---------------|--------------|
| Non-Current Assets | 9.1 | 8.9 | 7.8 | 6.9 | 7.5 |
| Property, Plant & Equipment | 8.9 | 8.3 | 7.6 | 6.7 | 7.3 |
| Current Assets | 20.5 | 14.0 | 13.3 | 13.5 | 13.3 |
| Inventories | 10.5 | 8.1 | 7.7 | 7.6 | 8.6 |
| Receivables | 9.6 | 5.5 | 4.9 | 5.4 | 4.0 |
| Cash & Cash Equivalents | 0.2 | 0.2 | 0.4 | 0.1 | 0.2 |
| Total Assets | 29.8 | 23.0 | 21.3 | 20.6 | 20.9 |
| Shareholders' Equity | 21.4 | 15.4 | 14.5 | 15.2 | 16.2 |
| Liabilities | 8.4 | 7.6 | 6.8 | 5.3 | 4.7 |
| Non-Current Liabilities | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 |
| Long-Term Debt | 0.0 | 0.4 | 0.0 | 0.0 | 1.3 |
| Current Liabilities | 4.0 | 3.3 | 2.5 | 2.1 | 1.7 |
| Short-Term Debt | 4.3 | 3.8 | 4.0 | 2.7 | 1.3 |
| Trade Payables | 2.3 | 1.0 | 0.5 | 0.8 | 1.0 |
| Asset Growth | -6.1% | -22.6% | -7.6% | -3.4% | 1.5% |
| Net Debt Growth | -23.6% | -2.8% | -8.8% | -29.0% | -7.2% |
| Equity Growth | -3.6% | -27.9% | -5.9% | 4.8% | 6.4% |

CASH FLOW

| USD mil | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Net Profit | 1.0 | -7.2 | -0.1 | 1.6 | 0.5 |
| Depreciation | 0.8 | 0.6 | 0.5 | 0.5 | 0.4 |
| Non-Cash Items | -0.3 | 0.8 | -0.4 | -0.2 | -1.5 |
| Change in Working Capital | -0.9 | 5.7 | 0.3 | -0.8 | 1.1 |
| Total Cash From Operations | 0.6 | -0.1 | 0.3 | 1.1 | 0.5 |
| Capital Expenditures | -2.9 | -0.1 | 0.0 | -0.8 | -0.1 |
| Other | 5.4 | 0.1 | 0.4 | 0.0 | 0.5 |
| Total Cash From Investing | 2.5 | 0.0 | 0.4 | -0.8 | 0.4 |
| Dividends Paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Issuance Of Shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Issuance Of Debt | -1.4 | -0.3 | 0.0 | -1.3 | -0.1 |
| Total Cash From Financing | -3.1 | 0.3 | -0.6 | -0.1 | -1.2 |
| NET CHANGE IN CASH | -0.1 | 0.2 | 0.0 | 0.2 | -0.3 |

RATIOS & OTHER

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|-------|---------|-------|-------|-------|
| Gross Margin | 42.6% | 39.0% | 48.8% | 52.2% | 50.8% |
| EBITDA Margin | 6.7% | -100.6% | 9.1% | 13.9% | 8.2% |
| EBIT Margin | 2.6% | -110.8% | 3.8% | 9.9% | 4.8% |
| Net Margin | 5.0% | -122.3% | -1.3% | 13.3% | 4.0% |
| ROE | 4.1% | -39.5% | -0.8% | 9.7% | 3.0% |
| ROCE | 3.2% | -30.1% | -0.6% | 7.4% | 2.4% |
| Net Debt/Equity | 19.2% | 25.9% | 25.1% | 17.0% | 14.8% |
| Net Debt/EBITDA | 3.6 | -0.7 | 4.2 | 1.8 | 2.5 |
| Cost of Financing | -8.5% | 16.5% | 12.3% | 10.2% | 3.8% |
| Dividend Payout | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Cash Conversion Cycle | 504 | 1028 | 733 | 686 | 594 |
| FX TO USD (Average) | 17.0 | 19.1 | 19.1 | 17.7 | 19.6 |
| FX TO USD (Year-End) | 19.2 | 18.4 | 18.7 | 19.7 | 19.0 |

Source: Company data, Helgi Analytics calculation



www.HelgiAnalytics.com

ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit www.helgilibrary.com or contact us at info@helgianalytics.com.

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