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Case Study on the Utilisation of Financial Information at S.C. AEROSTAR S.A.

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Abstract: *This paper examines the preparation and analysis of financial reports at S.C. Aerostar S.A., a publicly listed company on the Bucharest Stock Exchange. In compliance with O.M.F.P. no. 2844/2016, the company prepares financial statements in accordance with International Financial Reporting Standards (IFRS), ensuring transparency and reliability for stakeholders. The study outlines the financial closing operations necessary for preparing financial statements, including inventory assessments, depreciation calculations, and profit distribution. Furthermore, financial equilibrium, liquidity, solvency, and profitability indicators are analysed to evaluate the company's financial health. The results indicate a strong financial position, with consistent working capital, a positive net treasury, and robust profitability ratios. Despite minor fluctuations in financial performance, S.C. Aerostar S.A. maintains long-term financial stability and operational efficiency.*

Keywords: *financial reporting; IFRS; financial equilibrium; liquidity; solvency; profitability; working capital; net treasury; S.C. Aerostar S.A.*

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1. Considerations on the Preparation of Financial Reports at S.C. Aerostar S.A.

S.C. Aerostar S.A. is a company listed on the Bucharest Stock Exchange. Therefore, according to O.M.F.P. no. 2844/2016 *"for the approval of Accounting Regulations in accordance with International Financial Reporting Standards (IFRS),"* it is required to prepare a complete set of financial statements based on IFRS, by restating the information from the accounting organised under O.M.F.P. no. 1802/2014.

The complete set of financial statements prepared by S.C. Aerostar S.A. includes the following documents:

- A statement of financial position;
- A statement of comprehensive income;
- A statement of cash flows;
- A statement of changes in equity;
- Notes to the financial statements.

At S.C. Aerostar S.A., the preparation of financial statements is a complex process that involves synthesising and consolidating financial information from the company's accounting records to assess key economic and financial indicators. This process requires several preliminary accounting operations before the actual preparation of financial statements, known as financial year-end closing operations.

To prepare the financial statements as of December 31, 2023, S.C. Aerostar S.A. carried out the following financial closing procedures:

- Preparation of the trial balance before inventorying;
- General inventorying of assets;
- Accounting for regularisation transactions;
- Recognition of impairment adjustments, depreciation, provisions, and foreign exchange differences;
- Determination of expenses and revenues;
- Preparation of the trial balance after inventorying;
- Determination of the financial result and profit distribution;
- Actual preparation of financial statements.

Trial Balance before Inventorying

The first stage of closing the financial year at S.C. Aerostar S.A. is preparing the trial balance before inventorying. The trial balance ensures the correctness and consistency of accounting records before assessing assets, liabilities, and equity. It helps identify and correct potential errors or discrepancies in accounting records, facilitating an accurate and complete inventory.

S.C. Aerostar S.A. prepares the trial balance using a four-column equality method, which is widely used in practice as it allows for a detailed analysis of the company's financial position. This trial balance is structured as a ten-column table, where:

- The first column indicates the account code;
- The second column contains the account name;
- The following four columns present the debit and credit balances from the previous period and the current period's movements;
- The last four columns display the final debit and credit balances of the accounts.

According to O.M.F.P. no. 2634/2015, to verify the correctness of account balances, the equality between debit and credit balances must be ensured in each section. Another key verification rule is that the total of the debit or credit movements in the trial balance must match the total amounts recorded in the Journal Register.

General Inventorying of Assets, Liabilities, and Equity

The next pre-financial statement activity at Aerostar S.A. is the general inventorying of assets, liabilities, and equity. According to O.M.F.P. no. 2861/2009 *"for the approval of regulations* *on organising and conducting the inventory of assets, liabilities, and equity,"* Aerostar S.A. conducts an annual inventory at the financial year-end.

S.C. Aerostar S.A. has a dedicated department responsible for inventory control, which involves verifying all asset, liability, and equity items. The inventory process results in multiple documents, including Inventory Lists, the Inventory Results Report, and the Inventory Register.

At the end of the inventorying process, the recorded values in accounting are compared with the actual stock, identifying any surpluses or shortages that are subsequently adjusted in the entity's accounting records to ensure they align.

Following the inventory conducted in December 2023 at S.C. Aerostar S.A., a surplus of consumable materials (screws) amounting to 1,200 lei was identified. This was recorded in the accounting system as follows:

Amount (lei)	Debit Account	Description	Credit Account	Description
1,200	302	"Consumable Materials"	602	"Expenses with Consumable Materials"

Additionally, a shortage was identified for an equipment item valued at 156,360 lei, which was 40% depreciated (62,544 lei). The inventory shortage was recorded as follows:

Amount (lei)	Debit Account	Description	Credit Account	Description
156,360	2131	"Technological Equipment (machines, tools, and work installations)"	-	-
62,544	2814	"Depreciation of Other Tangible Fixed Assets"	-	-
93,816	6588	"Other Operating Expenses"	-	-

Accounting for Adjustments, Provisions, and Foreign Exchange Differences

After inventorying, the next financial closing activity is accounting for inventory differences, impairment adjustments, provisions, foreign exchange differences, and deferrals of income and expenses.

S.C. Aerostar S.A. applies the straight-line depreciation method per accounting standards. Depreciation begins in the month following the commissioning of the asset and is recorded according to the established depreciation plan. Depreciation methods and useful life estimates are reviewed at least annually and adjusted prospectively.

In September 2023, S.C. Aerostar S.A. recorded the depreciation of:

- A machine valued at 171,150 lei
- A building valued at 5,895,200 lei
- A laptop valued at 4,500 lei

The depreciation accounting entries were as follows:

Amount (lei)	Debit Account	Description	Credit Account	Description
6,070,850	6811	"Depreciation Expenses"	%	-
171,150	2813	"Depreciation of Installations and Transport Equipment"	-	-
5,895,200	2812	"Depreciation of Buildings"	-	-
4,500	2808	"Depreciation of Other Intangible Assets"	-	-

Profit Calculation and Distribution

After completing all regularisation transactions, the final trial balance is prepared to determine the financial result of the company. The income and expense accounts are closed through the 121 "Profit or Loss" account as follows:

Amount (lei)	Debit Account	Credit Account
460,929,000	121 – "Profit or Loss"	Class 6 - "Expense Accounts"
557,885,000	Class 7 - "Revenue Accounts"	121 - "Profit or Loss"

Since S.C. Aerostar S.A. has a credit balance in account 121, it means that the company generated profit in 2023.

To close the financial year, the profit tax is recorded:

Amount (lei)	Debit Account	Credit Account
3,928,000	691 - "Profit Tax Expenses"	4411 - "Profit Tax"
3,928,000	4411 - "Profit Tax"	5121 - "Bank Accounts in RON"

The distribution of profit must be approved by the General Meeting of Shareholders (GMS).

Since S.C. Aerostar S.A. qualifies as a medium and large entity, it must present the following reports alongside the financial statements:

- Annual Report – provides details on financial performance, company activities, strategy, and progress;
- Administrator’s Report – describes the general status of the entity, major risks, and financial condition;
- Audit Report – issued by independent auditors to assess financial statement accuracy and compliance.

Financial auditing at S.C. Aerostar S.A. is conducted in accordance with O.M.F.P. no. 1802/2014 and is mandatory for the company.

The audit report serves as an official statement confirming the correctness and compliance of financial statements with applicable accounting standards, ensuring transparency for external users.

2. Analysis of the Financial Position of S.C. Aerostar S.A.

2.1. Analysis of Financial Equilibrium

To assess a company's financial situation, it is necessary to perform an analysis of its financial equilibrium. The purpose of this analysis is to provide relevant financial information to stakeholders, particularly company management, to support decision-making for efficient management and the achievement of the primary goal—profit maximisation.

The progress of a company is closely linked to maintaining financial equilibrium, which is a key component of economic balance expressed in monetary terms. Financial equilibrium reflects the alignment and interdependence between financial resource requirements and the company's ability to obtain them. This balance is ensured by how the company manages its assets and is a fundamental condition for running a profitable business.

The financial equilibrium of a company derives from the comparison of significant balance sheet components: working capital (WC) and working capital requirement (WCR), which lead to the determination of net treasury (NT) (Solomon, 2004).

Working Capital (WC)

Working capital represents the surplus of current assets over current liabilities. It measures a company's ability to finance its current assets with its own resources and indicates the company's short-term liquidity level. A positive working capital means the company has sufficient current assets to cover its current liabilities without relying on short-term loans (Dobrotă, 2007).

The working capital indicator is calculated using the following formula (Sabău, 2014):

Working Capital (WC)=Permanent Capital−Fixed Assets

Working capital requirement assesses short-term financial equilibrium and represents the value of assets, including inventories and receivables, which are not financed by short-term liabilities (Robu, Anghel, & Șerban, 2014).

The working capital requirement is calculated using the following formula (Sabău, 2014):

Working Capital Requirement (WCR)=Inventories+Receivables−Operating Liabilities

Net treasury is a financial equilibrium indicator that represents the difference between working capital and working capital requirement, or between treasury assets and treasury liabilities. Net treasury is a company's safety margin, maintained as liquid assets in both cash and bank accounts (Lăcătuș, 2019).

Net treasury is calculated using the following formula (Robu, Anghel, & Șerban, 2014):

Net Treasury (NT)=Working Capital−Working Capital Requirement

Below, we determine the financial equilibrium indicators for S.C. Aerostar S.A. for the period 2021-2023.

No.	Indicator	2021	2022	2023
1.	Equity	421,388,000	493,709,000	551,957,000
2.	Long-term Liabilities	23,968,000	65,072,000	63,683,000
3.	Provisions	131,829,000	129,794,000	102,574,000
4.	Permanent Capital (1+2+3)	577,185,000	688,575,000	718,214,000
5.	Fixed Assets	188,610,000	252,380,000	248,385,000
6.	Working Capital (4-5)	388,575,000	436,195,000	469,829,000
7.	Inventories	130,610,000	98,770,000	161,042,000
8.	Receivables	59,801,000	83,982,000	90,437,000
9.	Operating Liabilities	45,046,000	65,072,000	63,683,000

No.	Indicator	2021	2022	2023
10.	Working Capital Requirement (7+8-9)	235,457,000	247,824,000	315,162,000
11.	Net Treasury (6-10)	153,118,000	188,371,000	154,667,000

Source: Own projection

This analysis highlights the evolution of financial equilibrium at S.C. Aerostar S.A. over three years, showing improvements in financial stability and liquidity management.

As observed in the table above, all financial equilibrium indicators at Aerostar S.A. are positive throughout the analysed period, indicating long-term financial stability.

The working capital is positive and has shown consistent growth over the analysed period, increasing by approximately 12.25% in 2022 compared to 2021 and by 7.71% in 2023 compared to 2022. This indicates an improvement in the company's ability to finance its current assets with its own resources. Additionally, the increase in working capital enhances the company's security margin.

The working capital requirement is also positive and has increased over the analysed period, rising by 5.25% in 2022 compared to 2021 and experiencing a significant 27.17% increase in 2023 compared to 2022. Since the working capital requirement is positive, it reflects a surplus of current assets resulting from accelerated receivables collection and deferred payments, creating a favourable gap between receivables recovery time and supplier payment terms.

The net treasury remains positive during the analysed period but shows fluctuations: a 23.02% increase in 2022 compared to 2021, followed by a 17.89% decrease in 2023 compared to 2022. A positive net treasury indicates financial stability, ensuring creditors that the company has the ability to repay financial obligations.

The analysis of financial equilibrium indicators highlights that S.C. Aerostar S.A. maintains long-term financial stability.

2.2. Analysis of Liquidity, Solvency, and Debt Ratio

A company's financial analysis involves evaluating liquidity, solvency, and debt ratio indicators to provide an overview of its financial health and performance.

Liquidity measures a company's ability to meet its short-term obligations, i.e. its capacity to pay current debts using current assets. Liquidity is assessed using three key indicators: Current liquidity, intermediate liquidity, and immediate liquidity (Munteanu & Solomon, 2015).

Current Liquidity measures the entity's ability to meet short-term obligations and reflects its capacity to quickly convert current assets into cash. This indicator is calculated as follows (Perescu, 2005):

Current Liquidity = Current Assets/Short-term Liabilities

Intermediate (Quick) Liquidity reflects the company's ability to cover short-term liabilities using receivables, short-term financial investments, and cash. It is calculated as follows (Dincă & Dincă, 2005):

Intermediate Liquidity = Current Assets−Inventories/Short-term Liabilities

Immediate Liquidity (Cash Ratio)

The most conservative liquidity indicator, considering only highly liquid assets such as cash and cash equivalents. It provides a very strict measure of the company's ability to pay immediate debts. It is calculated as follows (Sabău, 2014):

Immediate Liquidity = Current Assets−Inventories−Receivables/Short-term Liabilities

Solvency and Debt Analysis

Solvency represents a company's ability to meet long-term financial obligations. A high solvency level indicates a strong financial structure, capable of sustaining investments and attracting external financing at lower costs (Robu, Anghel, & Șerban, 2014). It is calculated as follows (Țilică & Ciobanu, 2023):

General Solvency = Total Assets Total Liabilities

Debt Ratio. A key financial indicator that measures the proportion of debt in a company's capital structure. It reflects how dependent a company is on external financing and, consequently, the level of financial risk associated with its operations (Suciu, 2009).

A high debt ratio suggests increased dependence on external financing, which may expose the company to higher financial risks, especially in economic downturns. Conversely, a very low debt ratio could indicate underutilisation of growth opportunities through external financing. It is calculated as follows (Vintilă, 2005):

Debt Ratio = Total Liabilities/Total Liabilities + Equity

No.	Indicator	2021	2022	2023
1.	Current Assets	433,621,000	461,382,000	498,060,000
2.	Short-term Liabilities	45,046,000	65,072,000	63,683,000
3.	Current Liquidity	9.63	7.09	7.82
4.	Inventories	130,610,000	98,770,000	161,042,000
5.	Current Assets - Inventories	303,011,000	362,612,000	337,018,000
6.	Intermediate Liquidity	6.73	5.57	5.29
7.	Receivables	59,801,000	83,982,000	90,437,000
8.	Current Assets - Inventories - Receivables	243,210,000	279,630,000	246,581,000
9.	Immediate Liquidity	5.40	4.30	3.87

Source: Own projection

These figures indicate that Aerostar S.A. maintains strong liquidity, although there is a slight decline in all three liquidity indicators over time. However, the company remains financially stable, with a sufficient liquidity buffer to cover short-term obligations.

Based on the table above, the liquidity indicators at Aerostar S.A. are as follows:

- Current liquidity ranges between 7.09 and 9.63 during the analysed period, significantly exceeding the optimal range of 1.5-2. This indicates that the company is well-positioned to meet its short-term obligations using its current assets. However, the indicator shows a fluctuating trend: in the 2022 financial year, it decreased by 26.38% compared to 2021, followed by a 10.26% increase in 2023 compared to 2022.
- Quick (intermediate) liquidity consistently exceeds the optimal range of 0.8-1, with values above 1, suggesting that the company has sufficient cash and cash equivalents to meet its short-term liabilities. Throughout the analysed period, quick liquidity declined by 17.24% in 2022 compared to 2021 and by 5.03% in 2023 compared to 2022.
- Immediate liquidity reports values exceeding the optimal range of 0.2-0.6, indicating that the company has sufficient cash to cover short-term debts while also having the ability to utilise cash equivalents. The indicator declined by 20.37% in 2022 compared to 2021 and by 10% in 2023 compared to 2022.

Next, the solvency and debt ratio indicators for S.C. Aerostar S.A. for 2021-2023 will be determined.

No.	Indicator	2021	2022	2023
1.	Total Assets	622,231,000	713,762,000	746,445,000
2.	Total Liabilities	69,014,000	90,259,000	91,914,000
3.	General Solvency	9.02	7.91	8.12
4.	Total Liabilities & Equity	622,231,000	713,762,000	746,445,000
5.	Debt Ratio	0.11	0.13	0.12

Source: Own projection

The general solvency indicator shows values above 1,4, which indicates the entity's ability to pay all its debts without the risk of insolvency. The values of this indicator exhibit a fluctuating trend throughout the analysed period: in 2022, it decreased by 12.31% compared to 2021, while in 2023, it increased by 2.35% compared to 2022.

The debt ratio indicator records values below 1, staying within the recommended threshold of 0.5, with a fluctuating trend over the analysed period. In the 2022 financial year, this indicator increased by 18.18% compared to the previous year, while in 2023, it decreased by 7.69% compared to 2022.

Next, the financial performance of S.C. Aerostar S.A. will be analysed.

3. Analysis of the Financial Performance of S.C. Aerostar S.A.

3.1. Conversion of the Statement of Comprehensive Income into the Table of Intermediate Management Balances

The Statement of Comprehensive Income serves as the closing summary document for the financial year at S.C. Aerostar S.A., presenting the company's financial performance over the fiscal period.

The Intermediate Management Balances (SIG) include a series of financial indicators used to assess a company's financial performance. The gradual construction of these indicators—from the broadest (e.g., production of the financial year and commercial margin) to the most synthetic (net profit)—has led to their classification as a "cascade series" of intermediate management balances.

The key elements of this table include:

- Commercial margin,
- Production of the financial year,
- Added value,
- Gross operating surplus,
- Current result, and
- Net result (Răducanu, 2022).

The commercial margin represents the added value in merchandise sales and is calculated as the difference between revenue from goods sold and their acquisition cost. It serves as an intermediate indicator for determining added value, rather than a direct management balance (Lăcătuș, 2019).

The production of the financial year quantifies the total production activity carried out during the financial period. It is calculated by adding up sold production, stored production, and immobilised production. Like the commercial margin, it is an intermediate indicator for determining added value (Robu, Anghel, & Șerban, 2014).

The Added Value (VA) represents the economic value surplus generated by the company. It is determined by adding the commercial margin and production of the financial year, then deducting intermediate consumption (Țilică & Ciobanu, 2023).

The Gross Operating Surplus (EBE) is the gross economic result obtained from the company's core activities. It represents the potential monetary surplus generated from current operations and is commonly used for comparing financial performance across companies. It is calculated by adding added value and operating subsidies, then deducting taxes, duties, and personnel expenses (Munteanu & Solomon, 2009).

The Operating Result (RE) measures business performance, excluding financial activities. It is determined by adding EBE and other operating income, then deducting depreciation, provisions, and other operating expenses.

The Gross Result of the Financial Year (RB) represents the difference between total revenue and total expenses for the fiscal period. It is commonly used to compare financial performance across different financial years or companies.

The Net Result of the Financial Year determines the final balance after deducting corporate income tax from gross result (Lăcătuș, 2019).

The following section presents the calculation of intermediate management balances for S.C. Aerostar S.A. during the 2022-2023 period.

No.	Indicators	2022	2023
1	Merchandise sales	20,000	376,000
2	Cost of goods sold	14,000	314,000
3	Commercial margin (1-2)	6,000	62,000
4	Sold production	466,971,000	505,918,000
5	Stored production	3,334,000	22,386,000
6	Immobilised production	451,000	878,000
7	Production of the financial year (4+5+6)	470,756,000	529,182,000
8	Third-party consumption	208,826,000	267,158,000
9	Added value (3+7-8)	267,930,000	324,024,000
10	Operating subsidies	169,000	611,000
11	Taxes, duties, and levies	2,423,000	2,841,000
12	Personnel expenses	147,930,000	172,440,000
13	Gross Operating Surplus (9+10-11-12)	117,746,000	149,354,000
14	Other operating income	2,838,000	2,894,000
15	Revenue from asset impairment adjustments	859,000	153,000
16	Revenue from current asset adjustments	9,859,000	11,663,000
17	Revenue from provision adjustments	29,789,000	59,347,000
18	Other operating expenses	6,840,000	7,091,000
19	Depreciation expenses on fixed assets	14,335,000	25,657,000
20	Current asset depreciation expenses	28,712,000	52,586,000
21	Provision expenses	27,825,000	58,106,000
22	Operating result (13+14+15+16+17-18-19-20-21)	83,379,000	79,791,000
23	Financial revenue	25,269,000	24,823,000
24	Financial expenses	8,977,000	7,658,000
25	Gross result of the financial year (22+23-24)	99,671,000	96,956,000
26	Corporate income tax	9,398,000	3,928,000
27	Net result of the financial year (25-26)	90,273,000	93,028,000

Source: Own projection

This table provides a detailed breakdown of financial performance indicators, enabling the evaluation of economic efficiency and profitability at S.C. Aerostar S.A. The next section will analyse the trends and implications of these financial indicators.

From the table presented earlier, a fluctuating overall trend of intermediate management balances can be observed within Aerostar S.A. over the analysed period:

- The commercial margin represents the profit generated from merchandise sales after deducting their cost. In 2022, the commercial margin was 6,000 monetary units, while in 2023, it surged to 62,000 monetary units, marking an extraordinary increase of 933.33%. This remarkable growth suggests a significant improvement in operational efficiency, which could be attributed to cost reductions, increased selling prices, or a combination of both.
- The production of the financial year includes sold production, stored production, and immobilised production. In 2022, total production amounted to 470,756,000 monetary units, increasing to 529,182,000 monetary units in 2023, representing a 12.41% growth. This increase reflects a healthy expansion of the company’s production activity, indicating an enhanced capacity to produce and store goods.
- The added value is the difference between the production of the financial year and third-party consumption, added to the commercial margin. In 2022, added value was 267,930,000 monetary units, rising to 324,024,000 monetary units in 2023, reflecting a 20.99% increase. This growth in added value suggests a substantial improvement in productivity and operational efficiency, demonstrating better resource management and an increased final product value.
- The gross operating surplus represents operating profit before deducting financial expenses and taxes. In 2022, this surplus was 117,746,000 monetary units, increasing to 149,354,000 monetary units in 2023, marking a 26.82% growth. This increase indicates a substantial enhancement in the company’s operational performance, highlighting its ability to generate higher profits from core activities.
- The operating result reflects the net operational performance of the company after deducting operating expenses. In 2022, the operating result was 83,379,000 monetary units, but in 2023, it declined to 79,791,000 monetary units, representing a 4.29% decrease. This slight drop indicates a minor deterioration in net operational performance, possibly due to an increase in operating expenses.
- The gross result of the financial year includes financial revenues minus financial expenses. In 2022, the gross result stood at 99,671,000 monetary units, decreasing to 96,956,000 monetary units in 2023, marking a 2.72% decline. This suggests a slight reduction in gross profitability, potentially influenced by rising financial expenses or lower financial revenues.
- The net result of the financial year, after deducting corporate income tax, increased from 90,273,000 monetary units in 2022 to 93,028,000 monetary units in 2023, reflecting a 3.05% growth. This increase in net profit indicates an overall improvement in net profitability, despite declines in other indicators.

3.2. Analysis of Profitability at S.C. Aerostar S.A.

Profitability is a company's ability to generate profit, representing the positive difference between revenues obtained from its operations and the costs associated with production, sales, and transactions. It depends on both the company's activities and external factors. Profitability also reflects macroeconomic efficiency, indicating the net results obtained per unit of effort in the utilisation of production factors (Căruntu & Lăpăduși, 2011).

A company is considered profitable if it generates a profit, whereas in the case of a loss (negative financial result), the company is deemed unprofitable and may risk bankruptcy.

Profitability is measured through a series of indicators, including:

- Economic profitability
- Financial profitability

- Commercial profitability
- Investment profitability (Georgescu, 2012)

Economic Profitability (ROA – Return on Assets)

Economic profitability measures how efficiently a company's total assets are used to generate profit. This indicator is calculated using the formula (Munteanu & Solomon, 2009):

ROA=NetResult/TotalAssets×100

Financial Profitability (ROE – Return on Equity)

Financial profitability reflects how efficiently a company's equity capital is utilised to generate profit. It is calculated as follows (Ţilică & Ciobanu, 2023):

ROE=NetResult/EquityCapital×100

Commercial Profitability (ROS – Return on Sales)

Commercial profitability measures the efficiency with which the company generates profit in relation to its sales revenues. This indicator is calculated using the formula:

ROS=NetResult/Turnover×100

Investment Profitability (ROI – Return on Investment)

Investment profitability measures how efficiently a company's fixed assets are used to generate profit. This indicator is calculated as follows (Robu, Anghel, & Şerban, 2014):

ROI=NetResult/FixedAssets×100

Determination of Profitability Indicators at S.C. Aerostar S.A. (2021-2023)

The following table presents the evolution of profitability indicators at S.C. Aerostar S.A. over the period 2021-2023:

No.	Indicator	2021	2022	2023
1.	Net Result	59,940,000	90,273,000	93,028,000
2.	Total Assets	622,231,000	713,762,000	746,445,000
3	Economic Profitability (ROA) (%)	9.63	12.65	12.46
4.	Net Result	59,940,000	90,273,000	93,028,000
5.	Equity Capital	412,388,000	493,709,000	551,957,000
6.	Financial Profitability (ROE) (%)	14.53	18.28	16.85
7.	Net Result	59,940,000	90,273,000	93,028,000
8.	Turnover	376,434,000	466,911,000	506,294,000
9.	Commercial Profitability (ROS) (%)	15.82	19.33	18.37
10.	Net Result	59,940,000	90,273,000	93,028,000
11.	Fixed Assets	188,610,000	252,380,000	248,385,000
12.	Investment Profitability (ROI) (%)	31.78	35.77	37.45

Source: Own Projection

This analysis provides a detailed insight into the financial performance of S.C. Aerostar S.A., demonstrating a positive trend in profitability indicators over the analysed period. As observed in the table above, profitability indicators remained positive throughout the analysed period. Economic profitability (ROA) showed fluctuating values: it increased by 2.72 percentage points (p.p.) in 2022 compared to 2021, then slightly decreased by 0.19 p.p. in 2023 compared to 2022. The ROA values fall within the optimal range of 5%-15%, indicating a favourable situation for the company. Financial profitability (ROE) fluctuated over the analysed period: it increased by 3.75 p.p. in 2022 compared to 2021, then slightly decreased by 1.43 p.p. in 2023 compared to 2022.

The ROE values exceed the optimal range of 5%-15%, which indicates a favourable financial condition for the company.

Commercial profitability (ROS) displayed a slightly oscillating trend during the analysed period: it increased by 3.51 p.p. in 2022 compared to 2021, followed by a slight decrease of 0.96 p.p. in 2023 compared to 2022. The positive ROS values indicate efficient utilisation of the company's products in generating profit.

Investment profitability (ROI) recorded a continuous increase throughout the analysed period: it rose by 3.99 p.p. in 2022 compared to 2021, and by 1.68 p.p. in 2023 compared to 2022. The positive ROI values highlight the efficiency in utilising fixed assets to generate profit.

4. Conclusion

The financial analysis of S.C. Aerostar S.A. highlights a well-structured approach to financial reporting and management, ensuring compliance with international standards and providing transparency to stakeholders. The company maintains a positive financial equilibrium, with increasing working capital and a stable net treasury. Liquidity indicators demonstrate the company's ability to meet short-term obligations, while solvency ratios confirm its financial stability. Profitability analysis reveals an upward trend in key financial performance indicators, particularly in economic and investment profitability. Despite minor oscillations in operational results, the company continues to demonstrate resilience and financial efficiency. The findings suggest that S.C. Aerostar S.A. is well-positioned for sustainable growth and continued success in the aerospace industry.

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