

MIRA INFORM REPORT

Report No. :	521946
Report Date :	25.07.2018

IDENTIFICATION DETAILS

Name :	COMPANIA UNIVERSAL TEXTIL S.A.
Registered Office :	2505, Avenida Venezuela, El Cercado
Country :	Peru
Financials (as on) :	31.12.2017
Date of Incorporation :	01.01.1989
Com. Reg. No.:	20100562848
Legal Form :	Public limited company - SA
Line of Business :	Subject engaged in Textile weaving
No. of Employees :	719

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Peru	A2	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

PERU - ECONOMIC OVERVIEW

Peru's economy reflects its varied topography - an arid lowland coastal region, the central high sierra of the Andes, and the dense forest of the Amazon. A wide range of important mineral resources are found in the mountainous and coastal areas, and Peru's coastal waters provide excellent fishing grounds. Peru is the world's second largest producer of silver and copper.

The Peruvian economy grew by an average of 5.6% per year from 2009-13 with a stable exchange rate and low inflation. This growth was due partly to high international prices for Peru's metals and minerals exports, which account for 55% of the country's total exports. Growth slipped from 2014 to 2017, due to weaker world prices for these resources. Despite Peru's strong macroeconomic performance, dependence on minerals and metals exports and imported foodstuffs makes the economy vulnerable to fluctuations in world prices.

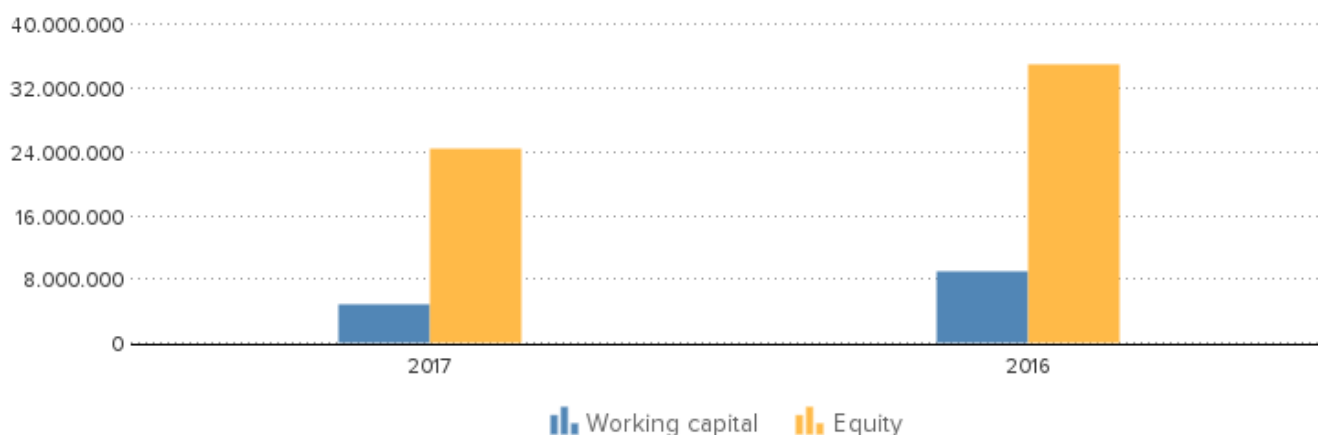
Peru's rapid expansion coupled with cash transfers and other programs have helped to reduce the national poverty rate by over 35 percentage points since 2004, but inequality persists and continued to pose a challenge for the Ollanta HUMALA administration, which championed a policy of social inclusion and a more equitable distribution of income. Poor infrastructure hinders the spread of growth to Peru's non-coastal areas. The HUMALA administration passed several economic stimulus packages in 2014 to bolster growth, including reforms to environmental regulations in order to spur investment in Peru's lucrative mining sector, a move that was opposed by some environmental groups. However, in 2015, mining investment fell as global commodity prices remained low and social conflicts plagued the sector.

Peru's free trade policy continued under the HUMALA administration; since 2006, Peru has signed trade deals with the US, Canada, Singapore, China, Korea, Mexico, Japan, the EU, the European Free Trade Association, Chile, Thailand, Costa Rica, Panama, Venezuela, Honduras, concluded negotiations with Guatemala and the Trans-Pacific Partnership, and begun trade talks with El Salvador, India, and Turkey. Peru also has signed a trade pact with Chile, Colombia, and Mexico, called the Pacific Alliance, that seeks integration of services, capital, investment and movement of people. Since the US-Peru Trade Promotion Agreement entered into force in February 2009, total trade between Peru and the US has doubled. President Pedro Pablo KUCZYNSKI succeeded HUMALA in July 2016 and is focusing on economic reforms and free market policies aimed at boosting investment in Peru. Mining output increased significantly in 2016-17, which helped Peru attain one of the highest GDP growth rates in Latin America, and Peru should maintain strong growth in 2018. However, economic performance was depressed by delays in infrastructure mega-projects and the start of a corruption scandal associated with a Brazilian firm. Massive flooding in early 2017 also was a drag on growth, offset somewhat by additional public spending aimed at recovery efforts

Source : CIA

COMPANY SUMMARY

Company name	Compania Universal Textil S.A.		
Operative address	2505, Avenida Venezuela El Cercado Peru		
Status	Active		
Legal form	Public limited company - SA		
Registration number	VAT/Tax number: 20100562848		
VAT-number	20100562848		
Year	2017	Mutation	2016
Fixed assets	24.407.789	-22,74	31.592.697
Total receivables	2.499.531	-40,42	4.195.267
Total equity	24.327.275	-30,45	34.978.648
Short term liabilities	10.643.006	-4,02	11.089.288
Net result	-6.988.243	-73,97	-4.016.895
Working capital	4.909.802	-45,23	8.964.658
Quick ratio	0,49	-3,92	0,51



CONTACT INFORMATION

Company name	Compania Universal Textil S.A.
Operative address	2505, Avenida Venezuela El Cercado Peru
Correspondence address	2505, Avenida Venezuela El Cercado Peru
Telephone number	+51 01 337 5260
Fax number	+51 01 337 5270
Email address	mcarrion@unitex.com.pe

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Website www.universaltextil.com.pe

REGISTRATION

Registration number	VAT/Tax number: 20100562848
VAT-number	20100562848
Status	Active
Establishment date	1989-01-01
Legal form	Public limited company - SA
Subscribed share capital	PEN 86.026.000

ACTIVITIES

NACE	1320: Textile weaving
Goal	The Company was created on March 16, 1989. The main sector of the Company is related to textile industry.

RELATIONS

Shareholders	Name: INVERSIONES PIURANAS SA National id number: 20537999731 Address: AVENIDA CIRCUNVALACION DEL CLUB G 134 INT 1101 URB CLUB GOLF LOS INCAS City: SANTIAGO DE SURCO Country: PE Phone: +51 1 2154130 Type: Financial company Share direct: 18.09% Turnover: 5.38647736 mil. PEN Total assets: 290.1693685 mil. PEN
	Name: COMPAÑIA DE JESUS PROVINCIA DEL PERU National id number: 20139828055 Address: JIRÓN COSTA RICA 256 City: JESUS MARIA Country: PE Phone: +51 1 4635006 Fax: +51 1 4628798 Type: Corporate Share direct: 10.88% Number of employees: 38

Name: INVERSIONES CENTENARIO S.A.A.
National id number: 20101045995
Address: Edificio Real Cuatro, Piso 1
City: LIMA
Country: PE
Phone: +51 1 616 9000
Website: www.centenario.com.pe
Type: Financial company
Share direct: 5.62%
Turnover: 161.79443754 mil. PEN
Total assets: 1137.91418733 mil. PEN
Profit loss before tax: 176.72700131 mil. PEN
Profit loss after tax net income: 110.73499936 mil. PEN
Shareholders funds: 2368.01200071 mil. PEN

MANAGEMENT

Management

Fullname: Mr Martin Perez Monteverde
Type: Individual
Gender: Male
Number of involvements: 7
Function: Chairman (Board of Directors)
Level of responsibility: President / Chairman
Appointment date: 2006/06

Fullname: Mr Dionisio Romero Paoletti
Type: Individual
Gender: Male
date of birth: 1965/07
Age: 53
Number of involvements: 30
Function: Chairman (Board of Directors)
Level of responsibility: President / Chairman

Fullname: Mr Dionisio Romero Paoletti
Type: Individual
Gender: Male
date of birth: 1965/07
Age: 53
Number of involvements: 30
Function: President
Level of responsibility: Highest executive

Fullname: Mr Luis Enrique Romero Belismelis
Type: Individual

Gender: Male
Number of involvements: 13
Function: Vice Chairman (Board of Directors)
Level of responsibility: Vice President / Vice Chairman
Appointment date: 2002/03

Fullname: Mr Luis Enrique Romero Belismelis
Type: Individual
Gender: Male
Number of involvements: 13
Function: Vice Presidente
Level of responsibility: Deputy executive

Fullname: Mr Jose Antonio Onrubia Holder
Type: Individual
Gender: Male
Number of involvements: 21
Function: Director / Member of the Board
Level of responsibility: Member
Appointment date: 2002/03

Fullname: Mr Enrique Conrado Palacios Rey
Type: Individual
Gender: Male
Number of involvements: 1
Function: Director (Board of Directors)
Level of responsibility: Member
Appointment date: 1991/10

Fullname: Mr Michael Ernesto Woodman
Type: Individual
Gender: Male
Number of involvements: 6
Function: Director (Board of Directors)
Level of responsibility: Member
Appointment date: 2009/03

Fullname: Mr Francisco Javier Seminario De La Fuente
Type: Individual
Gender: Male
Number of involvements: 1
Function: Chief Executive Officer
Level of responsibility: Highest executive

Fullname: Jose Eduardo Acosta Rodriguez-Paiva
Type: Individual
Number of involvements: 1
Function: Director of Administration and Finance
Level of responsibility: Chief Financial Officer (CFO); Financial

executive; Administration Chief Officer; Administration executive

Fullname: Francisco Javier Murro Florian
Type: Individual
Number of involvements: 1
Function: Sales Director - Clothing
Level of responsibility: Sales executive

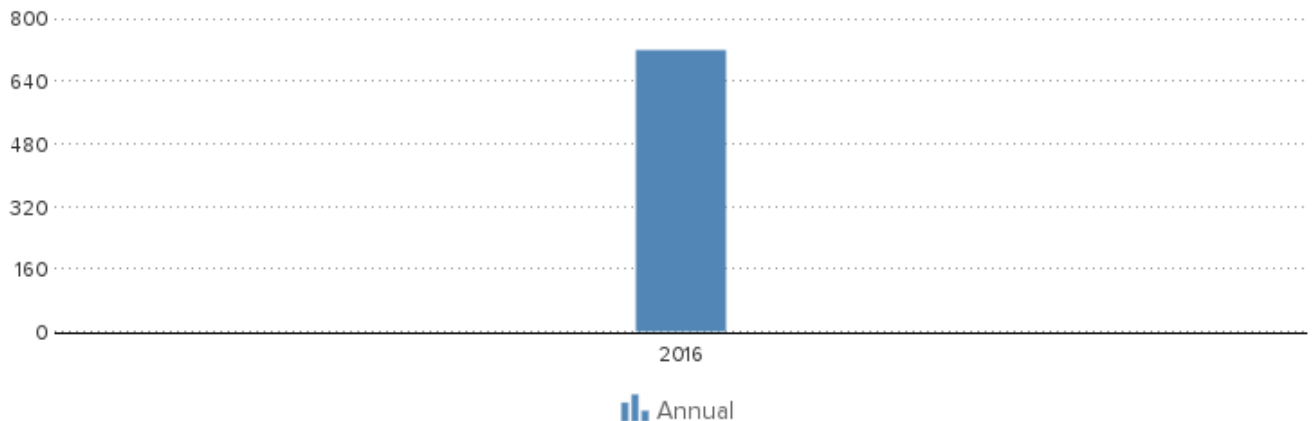
Fullname: Victor Salvador Chavez De La Piedra
Type: Individual
Number of involvements: 1
Function: Assistant Sales Director - Fabrics
Level of responsibility: Sales employee

Fullname: Mr Oswaldo Tomas Jumpa Varela
Type: Individual
Gender: Male
Number of involvements: 3
Function: Assistant Manager of Legal Department
Level of responsibility: Legal/Compliance employee

Fullname: Daniel Octavio Delgadillo Amoretti
Type: Individual
Number of involvements: 1
Function: Director of Production
Level of responsibility: OPERATIONS & Production executive

EMPLOYEES

Year	2016
Annual	719



FINANCIAL ANALYSIS

Trend	Declining
Profitability	Negative
Solvability	More than sufficient
Liquidity	Limited
Show amount in	Euro

KEY FIGURES

Year	2017	2016
Quick ratio	0,49	0,51
Current ratio	1,46	1,81
Working capital/ balance total	0,12	0,17
Equity / balance total	0,61	0,68
Equity / Fixed assets	1,00	1,11
Working capital	4.909.802	8.964.658
Equity	24.327.275	34.978.648
Mutation equity	-30,45	
Mutation short term liabilities	-4,02	
Return on total assets (ROA)	-17,70	-7,46
Return on equity (ROE)	-29,08	-11,01
Gross profit margin	-33,86	-13,59
Net profit margin	-35,31	-16,10
Average collection ratio	1,86	2,25
Average payment ratio	7,92	5,95
Equity turnover ratio	0,81	0,71
Total assets turnover ratio	0,50	0,48
Fixed assets turnover ratio	0,81	0,79
Inventory conversion ratio	1,92	1,73
Turnover	19.789.432	24.943.760
Gross margin	-1.168.094	3.250.547
Operating result	-6.700.399	-3.391.040
Net result after taxes	-6.988.243	-4.016.895
Cashflow	-5.413.207	-2.003.077
EBITDA	-5.125.363	-1.377.221
Summary	The 2017 financial result structure is a positive working capital of 4.909.802 euro, which is in agreement with 12 % of the total assets of the company.	

The 2017 financial result structure is a positive working capital of 4.909.802 euro, which is in agreement with 12 % of the total assets of the company.

The working capital has diminished with -45.23 % compared to previous year. The ratio, with respect to the total assets of the company has however, declined.

The deterioration between 2016 and 2017 has mainly been caused by a change of the current liabilities.

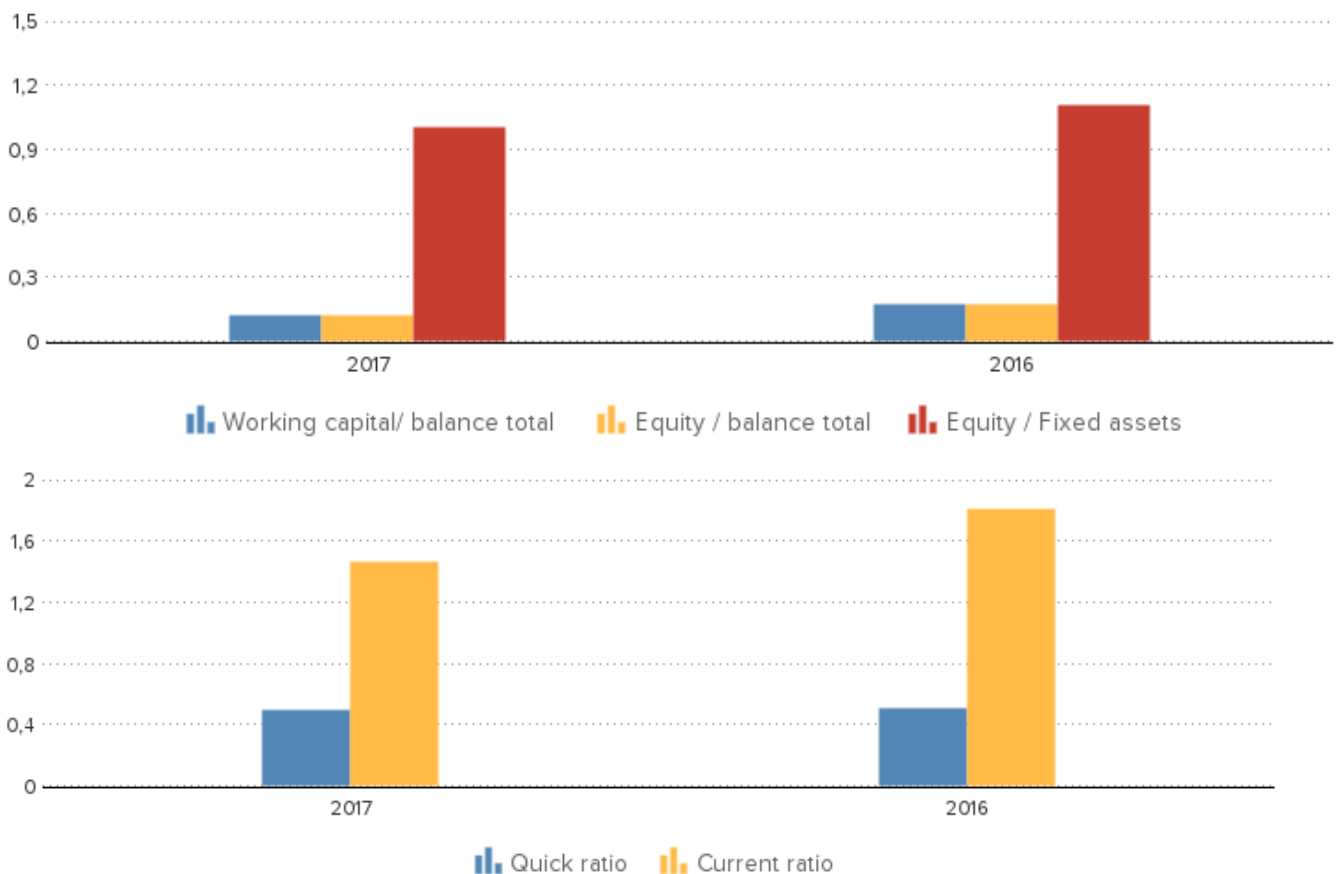
The current ratio of the company in 2017 was 1.46. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2017 of the company was 0.49. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

The 2016 financial result structure is a positive working capital of 8.964.658 euro, which is in agreement with 17 % of the total assets of the company.

The current ratio of the company in 2016 was 1.81. A company with a current ratio between 1.5 and 3.0 generally indicates good short-term financial strength.

The quick ratio in 2016 of the company was 0.51. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.



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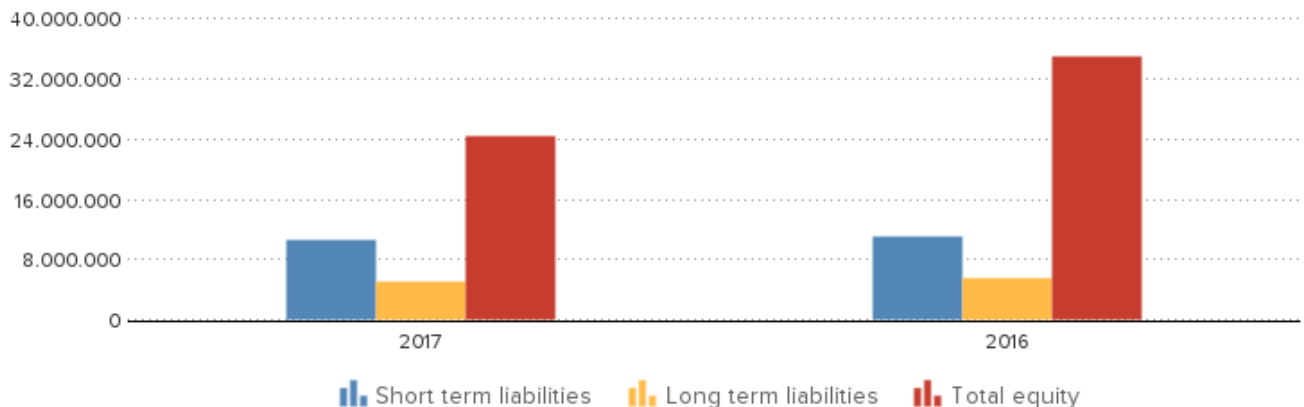
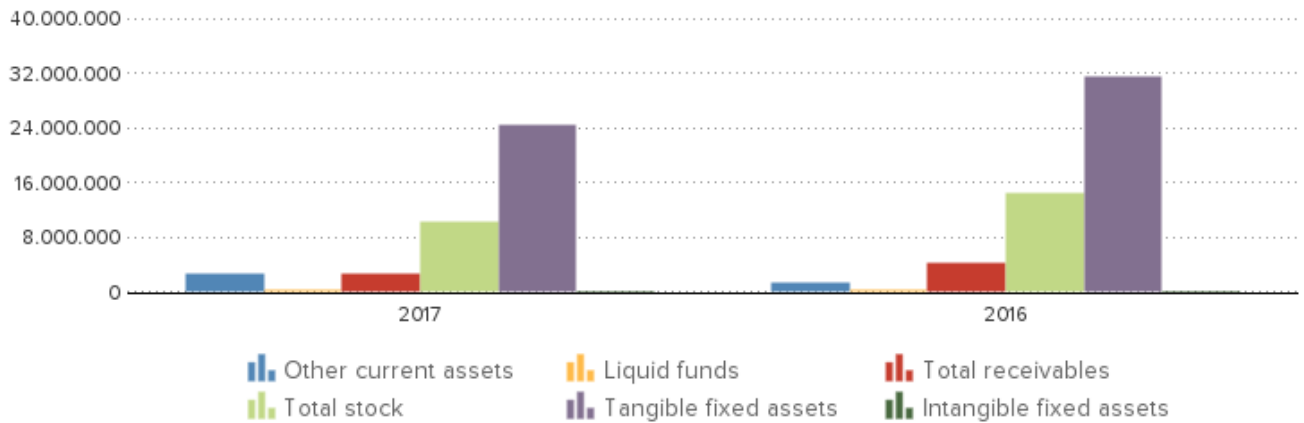
FINANCIAL STATEMENT

Auditor	Name: BUILDING A BETTER WORKING WORLD
	Name: (KPMG)
	Name: PRICE WATERHOUSE / COLLAS DONGO-SORIA Y ASOCIADOS
Last annual account	2017
Remark annual account	The company is obliged to file its financial statements.
Type of annual account	Consolidated
Annual account	Compania Universal Textil S.A. 2505, Avenida Venezuela El Cercado Peru

BALANCE

Year	2017	2016
End date	2017-12-31	2016-12-31
Type of annual account	Consol.	Consol.
Intangible fixed assets	5.916	8.480
Tangible fixed assets	24.383.609	31.564.146
Other fixed assets	18.264	20.070
Fixed assets	24.407.789	31.592.697
Total stock	10.332.012	14.380.824
Total receivables	2.499.531	4.195.267
Liquid funds	214.018	189.396
Other current assets	2.507.248	1.288.459
Current assets	15.552.808	20.053.946
Total assets	39.960.597	51.646.643
Total equity	24.327.275	34.978.648
Long term liabilities	4.990.316	5.578.707
Accounts payable	3.765.631	3.697.183
Other short term liabilities	6.877.375	7.392.105
Short term liabilities	10.643.006	11.089.288
Total liabilities	39.960.597	51.646.643
Summary	The total assets of the company decreased with -22.63 % between 2016 and 2017. This downturn is mainly retrievable in the fixed asset decrease of -22.74 %. In 2017 the assets of the company were 61.08 % composed of fixed assets and 38.92 % by current assets. The assets are being financed by an equity of 60.88 %, and total debt of 39.12 %.	

In 2016 the assets of the company were 61.17 % composed of fixed assets and 38.83 % by current assets. The assets are being financed by an equity of 67.73 %, and total debt of 32.27 %.



PROFIT AND LOSS

Year	2017	2016
Revenues	17.458.131	24.861.217
Net turnover	19.789.432	24.943.760
Cost of sales	20.957.526	21.693.213
Gross margin	-1.168.094	3.250.547
Amorization and depreciation	1.575.036	2.013.819
Operating expenses	5.532.305	6.641.587
Operating result	-6.700.399	-3.391.040
Financial income	13.891	11.590
Financial expenses	387.907	473.208
Financial result	-374.016	-461.618
Result on ordinary operations before taxes	-7.074.416	-3.852.658
Taxation on the result of ordinary activities	-86.173	164.238

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Result of ordinary activities after taxes
Net result
Summary

-6.988.243 -4.016.895
-6.988.243 -4.016.895

The turnover of the company decreased by -20.66 % between 2016 and 2017.

The gross profit of the company decreased by -135.94 % between 2016 and 2017.

The operating result of the company declined with -97.59 % between 2016 and 2017. This evolution implies an decrease of the company's economic profitability.

The result of these changes is a reduction of the company's Economic Profitability of -137.27 % of the analysed period, being equal to -17.7 in the year 2017.

Despite the decline the assets turnover increased by 4.17 % reaching 0.5.

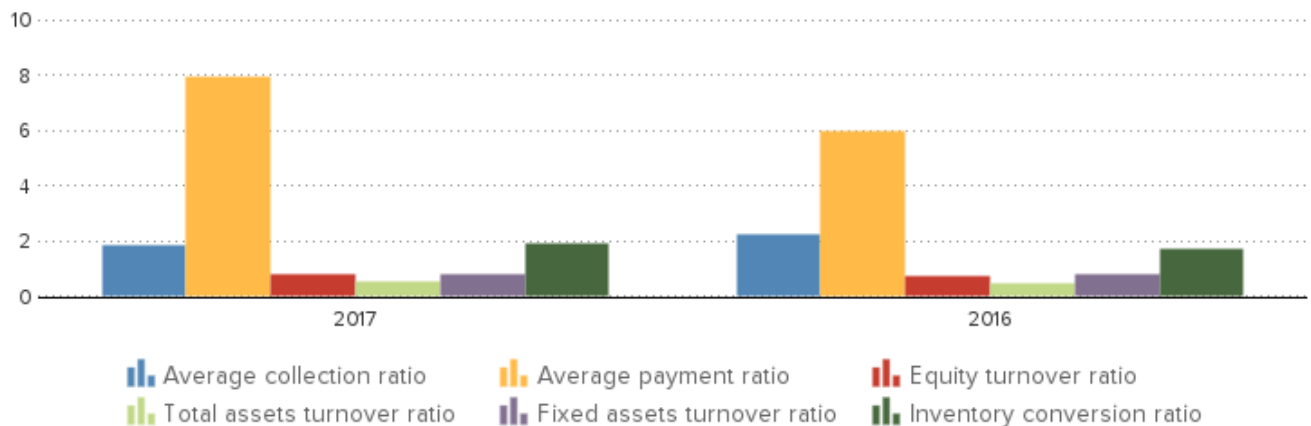
The Net Result of the company decreased by -73.97 % between 2016 and 2017.

The company's Financial Profitability has been positively affected by the financial activities in comparison to the EBITs behaviour.

The result of these variations is a profitability increase of -164.12 % of the analysed period, being -29.08 in the year 2017.

The company's financial profitability has been positively affected by its financial structure.

The company's Financial Profitability has been neutrally affected by the financial activities in comparison to the EBITs behaviour. The result of these variations is the unchanged profitability of the analysed period, remaining unchanged at -11.01 in the year 2016.



COUNTRY INFORMATION

Population 31.5 million
GDP per capita 6.204 USD

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.05
UK Pound	1	INR 90.30
Euro	1	INR 80.54
PEN	1	INR 20.95

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	KET

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)