

MIRA INFORM REPORT

Report No. :	533892
Report Date :	12.10.2018

IDENTIFICATION DETAILS

Name :	ZARA HOME LOGISTICA SA
Registered Office :	Avenida Deputacion (- Pg Ind Sabon), S/N - Edif. Inditex 15142 Arteixo
Country :	Spain
Financials (as on) :	31.01.2017
Date of Incorporation :	02.01.1936
Com. Reg. No.:	A08036733
Legal Form :	Sole corporation
Line of Business :	<ul style="list-style-type: none"> Storage and warehousing Subject is engaged in the provision of general freight trucking, haulage, storage, and other related services
No. of Employees :	477 (2017)

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

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NOTES :

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

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Spain	A1	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

SPAIN - ECONOMIC OVERVIEW

After a prolonged recession that began in 2008 in the wake of the global financial crisis, Spain marked the fourth full year of positive economic growth in 2017, with economic activity surpassing its pre-crisis peak, largely because of increased private consumption. The financial crisis of 2008 broke 16 consecutive years of economic growth for Spain, leading to an economic contraction that lasted until late 2013. In that year, the government successfully shored up its struggling banking sector - heavily exposed to the collapse of Spain's real estate boom - with the help of an EU-funded restructuring and recapitalization program.

Until 2014, contraction in bank lending, fiscal austerity, and high unemployment constrained domestic consumption and investment. The unemployment rate rose from a low of about 8% in 2007 to more than 26% in 2013, but labor reforms prompted a modest reduction to 16.4% in 2017. High unemployment strained Spain's public finances, as spending on social benefits increased while tax revenues fell. Spain's budget deficit peaked at 11.4% of GDP in 2010, but Spain gradually reduced the deficit to about 3.3% of GDP in 2017. Public debt has increased substantially – from 60.1% of GDP in 2010 to nearly 96.7% in 2017.

Strong export growth helped bring Spain's current account into surplus in 2013 for the first time since 1986 and sustain Spain's economic growth. Increasing labor productivity and an internal devaluation resulting from moderating labor costs and lower inflation have improved Spain's export competitiveness and generated foreign investor interest in the economy, restoring FDI flows.

In 2017, the Spanish Government's minority status constrained its ability to implement controversial labor, pension, health care, tax, and education reforms. The European Commission expects the government to meet its 2017 budget deficit target and anticipates that expected economic growth in 2018 will help the government meet its deficit target. Spain's borrowing costs are dramatically lower since their peak in mid-2012, and increased economic activity has generated a modest level of inflation, at 2% in 2017.

Source : CIA

SUMMARY

Company name	Zara Home Logistica SA				
Operative address	Avenida Deputacion (- Pg Ind Sabon), S/N - Edif. Inditex 15142 Arteixo Spain				
Status	Active				
Legal form	Sole corporation				
Registration number	VAT/Tax number: A08036733				
VAT-number	ESA08036733				
Year	2017	Mutation	2016	Mutation	2015
Fixed assets	45.907.845	19,85	38.303.421	278,79	10.112.051
Total receivables	118.962	-90,88	1.304.147	1.671,41	73.622
Total equity	7.901.280	40,23	5.634.624	-8,48	6.156.483
Short term liabilities	38.096.739	11,97	34.023.308	754,53	3.981.514
Net result	2.266.656	131,73	978.141	41,23	692.572
Working capital	-	-16,22	-	-736,57	-3.905.076
Quick ratio	37.968.173	0,00	32.668.672	100,00	0,02

CONTACT INFORMATION

Company name	Zara Home Logistica SA
Operative address	Avenida Deputacion (- Pg Ind Sabon), S/N - Edif. Inditex 15142 Arteixo Spain
Correspondence address	Avenida Deputacion (- Pg Ind Sabon), S/N - Edif. Inditex 15142 Arteixo Spain
Telephone number	+34 981185400
Fax number	+34 981185369

REGISTRATION

Registration number	VAT/Tax number: A08036733
VAT-number	ESA08036733
Status	Active
Establishment date	1936-01-02

Legal form

Sole corporation

Subscribed share capital

EUR 1.021.721

ACTIVITIES

NACE

5210: Storage and warehousing

Goal

Engaged in the provision of general freight trucking, haulage, storage, and other related services

RELATIONS

Shareholders

ULTIMATE GLOBAL SHAREHOLDER

Name: MR AMANCIO ORTEGA

Country: ES

Type: One or more named individuals or families

SHAREHOLDERS

Name: ZARA HOME ESPAÑA SA

National id number: A15340516

Address: AVENIDA DEPUTACION (PG INDUSTRIAL. EDIF. INDITEX), S/N

City: ARTEIXO

Country: ES

Phone: +34 981185400

Fax: +34 981185369

Website: www.zarahome.com

Type: Corporate

Share direct: 100.00%

Turnover: 486.78748154 mil. EUR

Total assets: 310.30214733 mil. EUR

Profit loss before tax: 30.69754067 mil. EUR

Profit loss after tax net income: 21.06184867 mil. EUR

Shareholders funds: 167.68774997 mil. EUR

Number of employees: 1806

Name: INDUSTRIA DE DISEÑO TEXTIL SA

National id number: A15075062

Address: Edificio Inditex

City: LA CORUÑA

Country: ES

Phone: +34 981 18 54 00

Website: www.inditex.com

Type: Corporate

Structure

Turnover: 25335.99729854 mil. EUR
Total assets: 20232.00248392 mil. EUR
Profit loss before tax: 4353.00000002 mil. EUR
Profit loss after tax net income: 3368.99999961 mil. EUR
Shareholders funds: 13522.00000008 mil. EUR

SUBSIDIARIES

Name: ZARA HOUM UKRAINA TOV
National id number: 35534928
Address: Vul. b.hmelnitskogo, bud. 19-21, inshe /lit. a ,
shevchenkivskiy r-n
City: KIEV
Country: UA
Type: Corporate
Phone: +380444958801
Fax: +380444958802
Share direct: 4.99%
Turnover: 0 mil. EUR
Total assets: 0.0166764 mil. EUR
Profit loss before tax: -0.00244476 mil. EUR
Profit loss after tax net income: -0.00397816 mil. EUR
Shareholders funds: -0.03789545 mil. EUR
Number of employees: 1

Branches

Name: ZARA HOME LOGISTICA SA
Address: AV LA VEGUILLA 14
City: CABANILLAS DEL CAMPO
Country: ES
Phone: +34 91 6270275

BANK DETAILS

Accounts

BBVA
BSCH

MANAGEMENT

Management

Fullname: Ms Eva Maria De Cardenas Botas
Type: Individual
Gender: Female
date of birth: 1965/02/13
Age: 53
Country: Spain
Number of involvements: 37
Function: President of the Board

Level of responsibility: President / Chairman
Appointment date: 2010/09/02

Fullname: Ms Eva Maria De Cardenas Botas
Type: Individual
Gender: Female
date of birth: 1965/02/13
Age: 53
Country: Spain
Number of involvements: 37
Function: General Manager
Level of responsibility: Unspecified executive
Appointment date: 2012/01/02

Fullname: Mr Antonio Gerardo Abril Abadin
Type: Individual
Gender: Male
date of birth: 1957/12/12
Age: 60
Country: Spain
Number of involvements: 100
Function: Member of the Board
Level of responsibility: Member
Appointment date: 2016/02/02

Fullname: Ms Lorena Alba Castro
Type: Individual
Gender: Female
Number of involvements: 28
Function: Member of the Board
Level of responsibility: Member
Appointment date: 2010/09/02

Fullname: Mr Vicente Antonio Cortizas Gonzalez-Criado
Type: Individual
Gender: Male
date of birth: 1966/09/23
Age: 52
Country: Spain
Number of involvements: 22
Function: Member of the Board
Level of responsibility: Member
Appointment date: 2010/09/02

Fullname: Mr Vicente Antonio Cortizas Gonzalez-Criado
Type: Individual
Gender: Male
date of birth: 1966/09/23

Age: 52
Country: Spain
Number of involvements: 22
Function: Financial Manager
Level of responsibility: Finance & Accounting Manager
Appointment date: 2015/01/12

Fullname: Mr Ignacio Fernandez Fernandez
Type: Individual
Gender: Male
date of birth: 1963/08/25
Age: 55
Country: Spain
Number of involvements: 81
Function: Member of the Board
Level of responsibility: Member
Appointment date: 2016/02/02

Fullname: Mr Javier Monteoliva Diaz
Type: Individual
Gender: Male
date of birth: 1960/05/11
Age: 58
Number of involvements: 9
Function: Secretary of the Board
Level of responsibility: Other & unspecified
Appointment date: 2006/02/01

Fullname: Mr Javier Monteoliva Diaz
Type: Individual
Gender: Male
date of birth: 1960/05/11
Age: 58
Number of involvements: 9
Function: Secretary
Level of responsibility: Company secretary
Appointment date: 2006/02/01

Fullname: Amparo Gomez Olmo
Type: Individual
Number of involvements: 1
Function: Human Resources Director
Level of responsibility: Human Resource Chief Officer; Human Resource executive
Appointment date: 2015/01/13

EMPLOYEES

Year	2017	2016	2015	2014	2013
Annual	477	593	537	353	490

FINANCIAL ANALYSIS

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

KEY FIGURES

Year	2017	2016	2015	2014	2013
Quick ratio	0,00	0,04	0,02	3,55	2,58
Current ratio	0,00	0,04	0,02	3,55	2,58
Working capital/ balance total	-0,82	-0,82	-0,38	0,69	0,59
Equity / balance total	0,17	0,14	0,60	0,72	0,63
Equity / Fixed assets	0,17	0,15	0,61	20,78	15,50
Working capital	-	-	-3.905.076	5.231.885	4.121.779
	37.968.173	32.668.672			
Equity	7.901.280	5.634.624	6.156.483	5.463.911	4.405.913
Mutation equity	40,23	-8,48	12,68	24,01	
Mutation short term liabilities	11,97	754,53	93,71	-21,23	
Return on total assets (ROA)	5,97	3,43	9,82	20,02	27,29
Return on equity (ROE)	34,78	24,14	16,26	27,67	43,46
Gross profit margin	8,81	5,18	5,50	9,42	14,62
Net profit margin	7,26	3,66	3,79	6,60	10,26
Average collection ratio	0,82	0,79	4,59	7,80	5,01
Average payment ratio	262,61	20,51	248,44	3,22	3,54
Equity turnover ratio	3,95	4,75	2,97	2,93	2,96
Total assets turnover ratio	0,68	0,67	1,80	2,12	1,86
Fixed assets turnover ratio	0,68	0,70	1,81	60,99	45,94
Inventory conversion ratio	84.663,80	7.609,67	10.155,66		
Turnover	31.240.944	26.747.982	18.290.348	16.036.071	13.060.555
Operating result	2.750.846	1.384.358	1.006.555	1.510.856	1.909.824
Net result after taxes	2.266.656	978.141	692.572	1.057.998	1.339.878
Cashflow	5.216.808	2.073.379	753.748	1.128.655	1.408.326
Gross profit	23.628.124	19.492.350	13.106.663	11.686.843	9.776.407

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EBITDA 5.700.998 2.479.596 1.067.731 1.581.513 1.978.272

Summary

The 2017 financial result structure is a negative working capital of -37.968.173 euro, which is in agreement with -82 % of the total assets of the company.

The working capital has diminished with -16.22 % compared to previous year. The ratio with respect to the total assets of the company remains unchanged.

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 0. 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. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

The 2016 financial result structure is a negative working capital of -32.668.672 euro, which is in agreement with -82 % of the total assets of the company.

The working capital has diminished with -736.57 % compared to previous year. The ratio, with respect to the total assets of the company has however, declined.

The deterioration between 2015 and 2016 has mainly been caused by a change of the current assets.

The current ratio of the company in 2016 was 0.04. When the current ratio is below 1.5, the company may have problems meeting its short-term obligations.

The quick ratio in 2016 of the company was 0.04. A company with a Quick Ratio of less than 1 cannot currently pay back its current liabilities.

FINANCIAL STATEMENT

Auditor

Name: DELOITTE S.L.

Name: KPMG AUDITORES S.L.

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	Name: KPMG AUDITORES S.L.
	Name: DELOITTE S.L.
	Name: DELOITTE S.L.
Last annual account	2017
Remark annual account	The company is obliged to file its financial statements.
Type of annual account	Corporate
Annual account	Zara Home Logistica SA Avenida Deputacion (- Pg Ind Sabon), S/N - Edif. Inditex 15142 Arteixo Spain

BALANCE

Year	2017	2016	2015	2014	2013
End date	2017-01-31	2016-01-31	2015-01-31	2014-01-31	2013-01-31
Type of annual account	Corporate	Corporate	Corporate	Corporate	Corporate
Intangible fixed assets	117.482	181.306			
Tangible fixed assets	45.255.749	38.106.748	10.081.554	244.488	283.784
Other fixed assets	534.614	15.367	30.497	18.423	500
Fixed assets	45.907.845	38.303.421	10.112.051	262.911	284.284
Total stock	369	3.515	1.801		
Total receivables	118.962	1.304.147	73.622	4.983.445	3.687.033
Liquid funds	9.235	46.974	840	14.036	30.883
Other current assets			175	2.289.853	3.013.312
Current assets	128.566	1.354.636	76.438	7.287.334	6.731.228
Total assets	46.036.411	39.658.057	10.188.489	7.550.245	7.015.512
Total equity	7.901.280	5.634.624	6.156.483	5.463.911	4.405.913
Provisions	38.292		50.342	30.735	
Long term liabilities	100	125	150	150	150
Accounts payable	42.460	34.660	3.396	21.583	2.153
Other short term liabilities	38.054.279	33.988.648	3.978.118	2.033.866	2.607.296
Short term liabilities	38.096.739	34.023.308	3.981.514	2.055.449	2.609.449
Total liabilities	46.036.411	39.658.057	10.188.489	7.550.245	7.015.512

Summary The total assets of the company increased with 16.08 % between 2016 and 2017.

The total asset increase is retrievable in the fixed asset growth of 19.85 %.

In 2017 the assets of the company were 99.72 % composed of fixed assets and 0.28 % by current assets. The assets are being

financed by an equity of 17.16 %, and total debt of 82.84 %.

The total assets of the company increased with 289.24 % between 2015 and 2016.

The fixed asset growth of 278.79 % is lower than the total asset growth.

In 2016 the assets of the company were 96.58 % composed of fixed assets and 3.42 % by current assets. The assets are being financed by an equity of 14.21 %, and total debt of 85.79 %.

PROFIT AND LOSS

Year	2017	2016	2015	2014	2013
Revenues	31.240.944	26.720.665	18.268.965	16.024.054	13.042.123
Net turnover	31.240.944	26.747.982	18.290.348	16.036.071	13.060.555
Wages and salaries	17.927.137	17.013.254	12.038.757	10.104.547	7.793.343
Amorization and depreciation	2.950.152	1.095.238	61.176	70.657	68.448
Production costs	1.790.181	1.479.564	810.028	751.245	527.738
Operating result	2.750.846	1.384.358	1.006.555	1.510.856	1.909.824
Financial income			175	783	4.792
Financial expenses	2.416	24.294	5.968		1
Financial result	-2.416	-24.294	-5.793	783	4.791
Result on ordinary operations before taxes	2.748.430	1.360.064	1.000.762	1.511.639	1.914.615
Taxation on the result of ordinary activities	481.774	381.923	308.190	453.641	574.737
Result of ordinary activities after taxes	2.266.656	978.141	692.572	1.057.998	1.339.878
Net result	2.266.656	978.141	692.572	1.057.998	1.339.878

Summary

The turnover of the company grew with 16.8 % between 2016 and 2017.

The operating result of the company grew with 98.71 % between 2016 and 2017. This evolution implies an increase of the company's economic profitability.

The result of these changes is an increase of the company's Economic Profitability of 74.05 % of the analysed period, being equal to 5.97 in the year 2017.

This growth has contributed to the increase in assets turnover, increasing by 1.49 % reaching 0.68.

The Net Result of the company increased by 131.73 % between 2016 and 2017.

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

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The result of these variations is a profitability increase of 44.08 % of the analysed period, being 34.78 in the year 2017.

The company's financial structure has slowed down its financial profitability.

The turnover of the company grew with 46.24 % between 2015 and 2016.

The operating result of the company grew with 37.53 % between 2015 and 2016. This evolution implies an increase of the company's economic profitability.

The result of these changes is a reduction of the company's Economic Profitability of -65.07 % of the analysed period, being equal to 3.43 in the year 2016.

This fall has contributed to a asset turnover decrease, whose index evolved from -62.78 to a level of 0.67.

The Net Result of the company increased by 41.23 % between 2015 and 2016.

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 48.46 % of the analysed period, being 24.14 in the year 2016.

The company's financial structure has slowed down its financial profitability.

COUNTRY INFORMATION

Population	46.4 million
GDP per capita	26.565 USD
Country risk	Low
Company risk	Very Low

PUBLICATIONS

Remarks	Status: Active Status date: 2005-12-01 Category: Large company Last year: 2016
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Turnover last year: 31.240.944 EUR
Result last year: 2.266.656 EUR
TOTAL assets last year: 46.036.411 EUR
Number of employees: 477
Number of shareholders: 2
Number of subsidiaries: 1
Number of branches: 1

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.39
UK Pound	1	INR 98.30
Euro	1	INR 85.90
Euro	1	INR 85.39

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TRU

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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)