

MIRA INFORM REPORT

Report No. :	535837
Report Date :	20.10.2018

IDENTIFICATION DETAILS

Name :	THERMO ENGINEERING S.R.L.
Registered Office :	Via Giuseppina 1926030 Malagnino
Country :	Italy
Financials (as on) :	31.12.2017
Date of Incorporation :	13.10.1989
Com. Reg. No.:	CR0123293
Legal Form :	Limited Liability Company - Srl
Line of Business :	Subject is engaged in the manufacture of metal forming machinery and machine tools.
No. of Employees :	40 (2017)

RATING & COMMENTS

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

MIRA's Rating : A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
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.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Italy	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

ITALY - ECONOMIC OVERVIEW

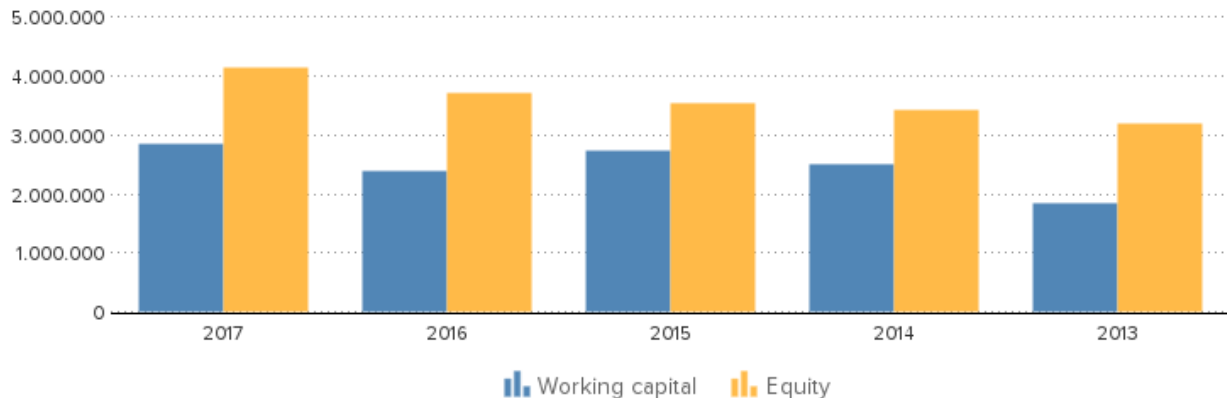
Italy's economy comprises a developed industrial north, dominated by private companies, and a less-developed, highly subsidized, agricultural south, with a legacy of unemployment and underdevelopment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family-owned. Italy also has a sizable underground economy, which by some estimates accounts for as much as 17% of GDP. These activities are most common within the agriculture, construction, and service sectors.

Italy is the third-largest economy in the euro zone, but its exceptionally high public debt and structural impediments to growth have rendered it vulnerable to scrutiny by financial markets. Public debt has increased steadily since 2007, reaching 131% of GDP in 2017. Investor concerns about Italy and the broader euro-zone crisis eased in 2013, bringing down Italy's borrowing costs on sovereign government debt from euro-era. The government still faces pressure from investors and European partners to sustain its efforts to address Italy's longstanding structural economic problems, including labor market inefficiencies, a sluggish judicial system, and a weak banking sector. Italy's economy returned to modest growth in late 2014 for the first time since 2011. In 2015-16, Italy's economy grew at about 1% each year, and in 2017 growth accelerated to 1.5% of GDP. In 2017, overall unemployment was 11.4%, but youth unemployment remained high at 37.1%. GDP growth is projected to slow slightly in 2018.

Source : CIA

SUMMARY

Company name	Thermo Engineering S.R.L.				
Operative address	Via Giuseppina 19 26030 Malagnino Italy				
Status	Active				
Legal form	Limited liability company - SRL				
Registration number	Trade register number: CR0123293				
VAT-number	IT00943900191				
Year	2017	Mutation	2016	Mutation	2015
Fixed assets	2.670.196	-1,22	2.703.237	26,83	2.131.460
Total receivables	2.700.836	17,61	2.296.508	0,45	2.286.307
Total equity	4.137.536	11,20	3.720.811	4,95	3.545.405
Short term liabilities	1.433.024	1,36	1.413.864	2,81	1.375.242
Net result	819.225	26,44	647.907	-16,87	779.393
Working capital	2.856.639	18,74	2.405.810	-12,25	2.741.540
Quick ratio	2,40	12,15	2,14	-15,75	2,54



CONTACT INFORMATION

Company name	Thermo Engineering S.R.L.
Operative address	Via Giuseppina 19 26030 Malagnino Italy
Correspondence address	Via Giuseppina 19 26030 Malagnino Italy
Telephone number	+39 0372441441
Website	www.thermoengineering.it

REGISTRATION

Registration number	Trade register number: CR0123293
VAT-number	IT00943900191
Status	Active
Establishment date	1989-10-13
Legal form	Limited liability company - SRL
Subscribed share capital	EUR 99.800

ACTIVITIES

NACE	2651: Vervaardiging van meet-, controle- en navigatie-instrumenten en -Equipment
Goal	Engaged in the manufacture of metal forming machinery and machine tools

RELATIONS

Shareholders	Name: MR DANIELE VACCHELLI Address: VIA DEI BARCAIOLI 12 City: GERRE DE' CAPRIOLI Country: IT Type: One or more named individuals or families Share direct: 49.00%
	Name: MRS NICOLETTA VACCHELLI Address: VIA SONSIS 54 City: CREMONA Country: IT Type: One or more named individuals or families Share direct: 49.00%
	Name: MR EMILIO VACCHELLI Address: VIA GRAMSCI 17 City: CREMONA Country: IT Type: One or more named individuals or families Share direct: 2.00%

MANAGEMENT

Management

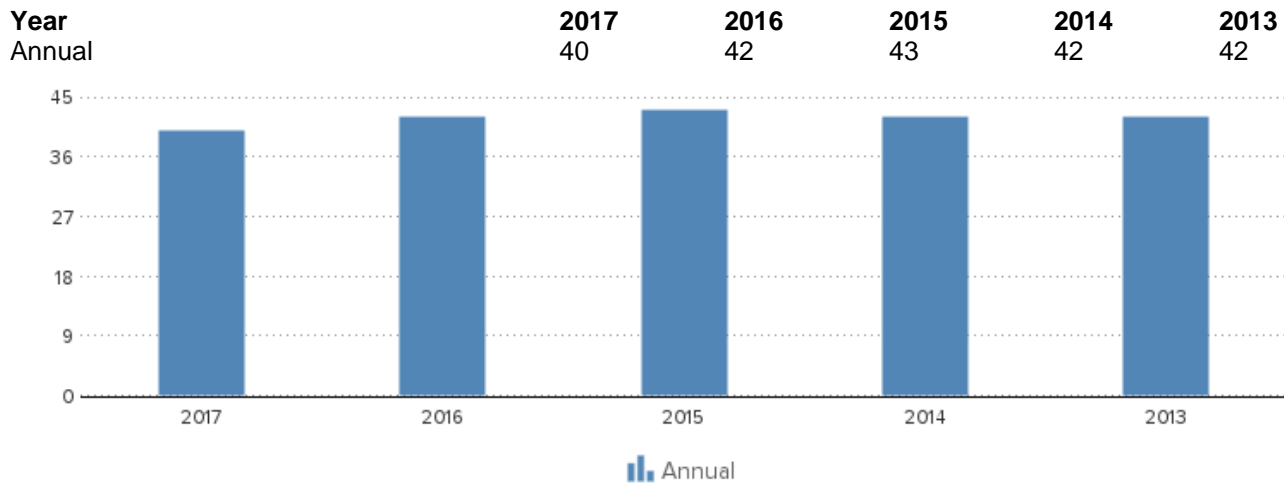
Fullname: Mr Emilio Vacchelli
Type: Individual
Gender: Male
date of birth: 1939/01/15
Age: 79
Country: Italy
Number of involvements: 2
Function: Chairman of the Board of Directors
Level of responsibility: President / Chairman
Appointment date: 2010/12/28

Fullname: Mr Emilio Vacchelli
Type: Individual
Gender: Male
date of birth: 1939/01/15
Age: 79
Country: Italy
Number of involvements: 2
Function: Chief Executive Officer
Level of responsibility: Highest executive
Appointment date: 2010/12/28

Fullname: Mr Daniele Vacchelli
Type: Individual
Gender: Male
date of birth: 1967/10/29
Age: 50
Country: Italy
Number of involvements: 3
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2010/12/28

Fullname: Ms Nicoletta Vacchelli
Type: Individual
Gender: Female
date of birth: 1970/07/26
Age: 48
Country: Italy
Number of involvements: 2
Function: Adviser
Level of responsibility: Other & unspecified
Appointment date: 2010/12/28

EMPLOYEES



FINANCIAL ANALYSIS

Trend	Fluctuating
Profitability	Sufficient
Solvability	Sufficient
Liquidity	Positive
Show amount in	Euro

KEY FIGURES

Year	2017	2016	2015	2014	2013
Quick ratio	2,40	2,14	2,54	2,38	1,97
Current ratio	2,99	2,70	2,99	2,67	2,36
Working capital/ balance total	0,41	0,37	0,44	0,40	0,33
Equity / balance total	0,59	0,57	0,57	0,55	0,57
Equity / Fixed assets	1,55	1,38	1,66	1,56	1,35
Working capital	2.856.639	2.405.810	2.741.540	2.509.044	1.850.034
Equity	4.137.536	3.720.811	3.545.405	3.421.011	3.200.393
Mutation equity	11,20	4,95	3,64	6,89	
Mutation short term liabilities	1,36	2,81	-8,59	10,81	
Return on total assets (ROA)	16,55	14,83	18,80	14,61	6,48
Return on equity (ROE)	27,85	26,00	33,14	26,47	11,29
Gross profit margin	15,73	13,61	17,22	13,44	6,54
Net profit margin	11,09	8,89	11,15	8,19	3,31

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Average collection ratio	5,16	5,16	5,08	4,63	4,50
Average payment ratio	2,74	3,18	3,06	3,06	2,89
Equity turnover ratio	1,79	1,96	1,97	2,04	1,91
Total assets turnover ratio	1,06	1,12	1,12	1,12	1,10
Fixed assets turnover ratio	2,77	2,70	3,28	3,19	2,58
Inventory conversion ratio	8,75	9,25	11,13	16,26	11,53
Turnover	7.389.003	7.291.989	6.987.731	6.965.972	6.110.083
Operating result	1.162.561	992.186	1.203.306	936.229	399.301
Net result after taxes	819.225	647.907	779.393	570.621	202.201
Cashflow	1.030.736	849.012	990.136	778.631	404.298
Gross profit	3.138.244	2.972.896	3.127.106	2.833.476	2.211.138
EBITDA	1.374.072	1.193.291	1.414.049	1.144.239	601.398
Summary	The 2017 financial result structure is a positive working capital of 2.856.639 euro, which is in agreement with 41 % of the total assets of the company.				

The 2017 financial result structure is a positive working capital of 2.856.639 euro, which is in agreement with 41 % of the total assets of the company.

The working capital has increased with 18.74 % compared to previous year. The ratio, with respect to the total assets of the company has however, increased.

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

The current ratio of the company in 2017 was 2.99. A company with a current ratio between 1.5 and 3.0 generally indicates good short-term financial strength.

The quick ratio in 2017 of the company was 2.4. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.

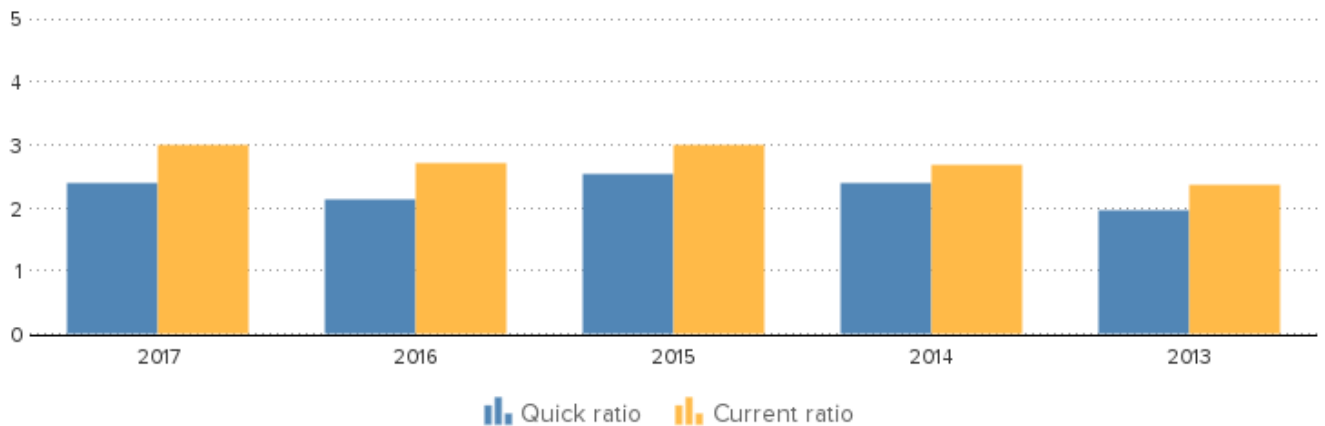
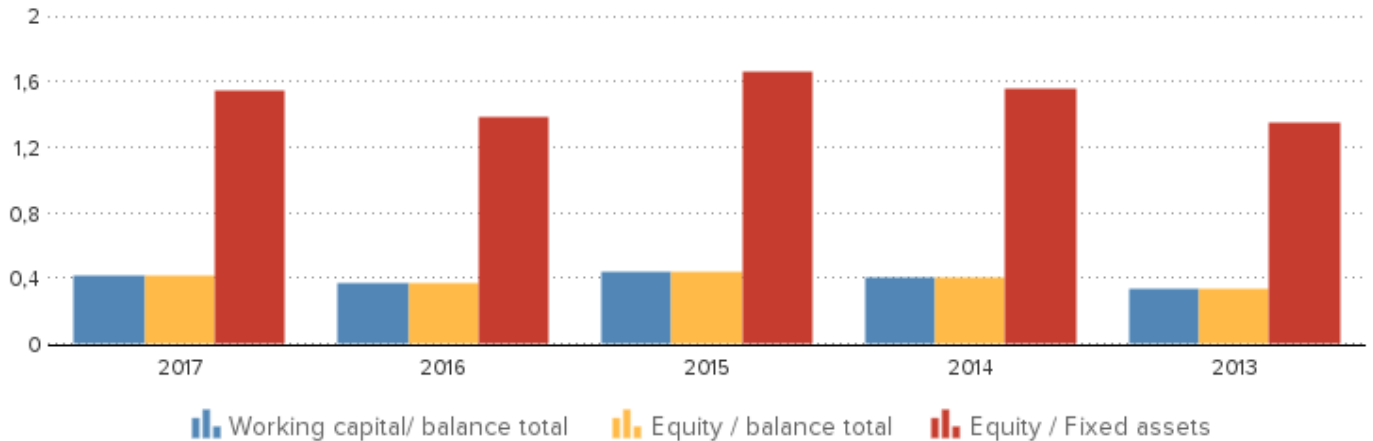
The 2016 financial result structure is a positive working capital of 2.405.810 euro, which is in agreement with 37 % of the total assets of the company.

The working capital has diminished with -12.25 % 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 liabilities.

The current ratio of the company in 2016 was 2.7. 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 2.14. A company with a Quick Ratio of more than 1 can currently pay back its current liabilities.



FINANCIAL STATEMENT

Last annual account	2017
Remark annual account	The company is obliged to file its financial statements.
Type of annual account	Corporate
Annual account	Thermo Engineering S.R.L. Via Giuseppina 19 26030 Malagnino Italy

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BALANCE

Year	2017	2016	2015	2014	2013
End date	2017-12-31	2016-12-31	2015-12-31	2014-12-31	2013-12-31
Type of annual account	Corporate	Corporate	Corporate	Corporate	Corporate
Intangible fixed assets	19.381	25.172	29.659	26.693	35.185
Tangible fixed assets	1.949.647	1.976.897	2.100.633	2.158.688	2.328.137
Other fixed assets	701.168	701.168	1.168	1.168	1.168
Fixed assets	2.670.196	2.703.237	2.131.460	2.186.549	2.364.490
Total stock	843.986	788.152	627.700	428.384	529.967
Total receivables	2.700.836	2.296.508	2.286.307	2.276.255	2.111.320
Liquid funds	587.135	490.594	1.051.404	1.083.043	257.159
Other current assets	157.706	244.420	151.371	225.777	309.280
Current assets	4.289.663	3.819.674	4.116.782	4.013.459	3.207.726
Total assets	6.959.859	6.522.911	6.248.242	6.200.008	5.572.216
Total equity	4.137.536	3.720.811	3.545.405	3.421.011	3.200.393
Provisions	720.000	660.000	600.000	540.000	480.000
Long term liabilities	669.299	728.236	727.595	734.582	534.131
Accounts payable			1.004.964	1.021.141	957.501
Liabilities towards credit institutes					116.276
Other short term liabilities	1.433.024	1.413.864	370.278	483.274	283.915
Short term liabilities	1.433.024	1.413.864	1.375.242	1.504.415	1.357.692
Total liabilities	6.959.859	6.522.911	6.248.242	6.200.008	5.572.216

Summary

The total assets of the company increased with 6.7 % between 2016 and 2017.

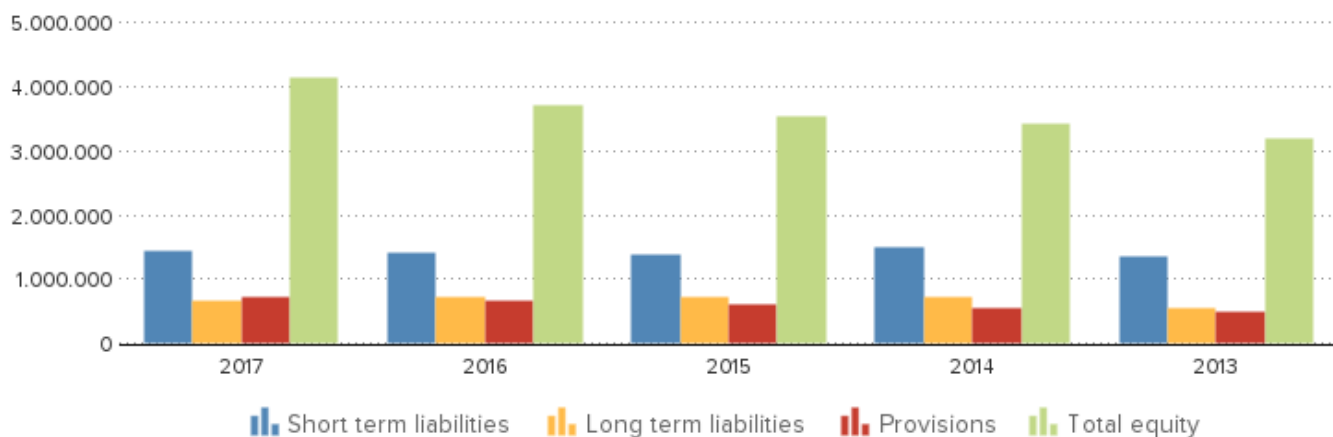
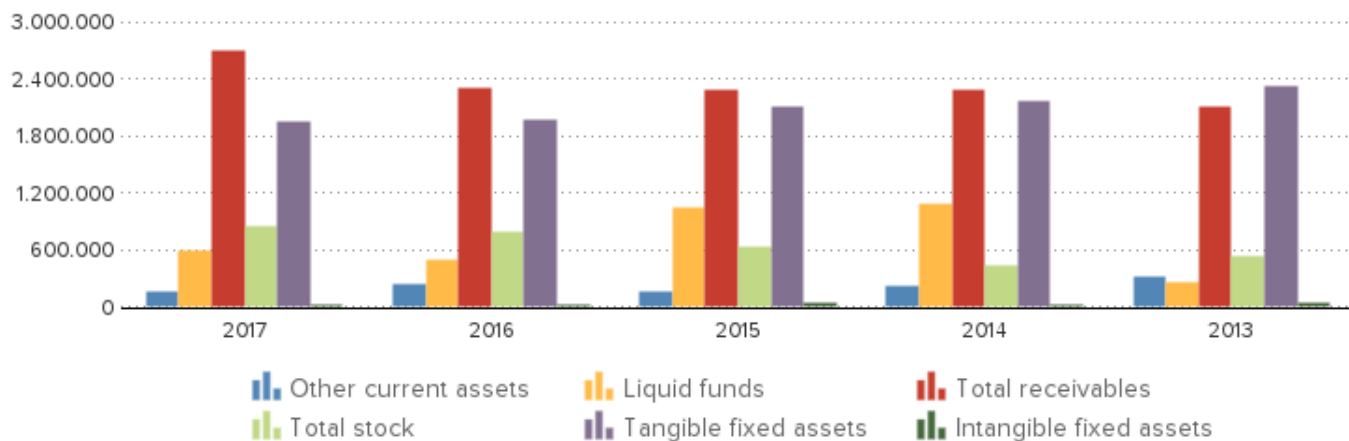
Despite the assets growth, the non current assets decreased with - 1.22 %.

In 2017 the assets of the company were 38.37 % composed of fixed assets and 61.63 % by current assets. The assets are being financed by an equity of 59.45 %, and total debt of 40.55 %.

The total assets of the company increased with 4.4 % between 2015 and 2016.

The total asset increase is retrievable in the fixed asset growth of 26.83 %.

In 2016 the assets of the company were 41.44 % composed of fixed assets and 58.56 % by current assets. The assets are being financed by an equity of 57.04 %, and total debt of 42.96 %.



PROFIT AND LOSS

Year	2017	2016	2015	2014	2013
Revenues	7.281.076	7.088.848	6.833.595	6.908.589	6.093.496
Net turnover	7.389.003	7.291.989	6.987.731	6.965.972	6.110.083
Wages and salaries	1.759.339	1.779.637	1.715.360	1.688.859	1.602.763
Amorization and depreciation	211.511	201.105	210.743	208.010	202.097
Production costs	3.310.385	3.255.616	2.896.548	3.004.397	2.799.465
Operating result	1.162.561	992.186	1.203.306	936.229	399.301
Financial income	3.207	66	468	87	665
Financial expenses	13.580	24.905	28.981	30.646	38.732
Financial result	-10.373	-24.839	-28.513	-30.559	-38.067
Result on ordinary operations before taxes	1.152.188	967.347	1.174.793	905.670	361.234
Taxation on the result of ordinary activities	332.963	319.440	395.401	337.021	165.728

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Result of ordinary activities after taxes	819.225	647.907	779.392	568.649	195.506
Extraordinary income			1	2.040	12.569
Extraordinary expense				68	5.874
Extraordinary result before taxation			1	1.972	6.695
Net result	819.225	647.907	779.393	570.621	202.201
Summary					

The turnover of the company grew with 1.33 % between 2016 and 2017.

The operating result of the company grew with 17.17 % 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 11.6 % of the analysed period, being equal to 16.55 in the year 2017.

Despite the growth the assets turnover decreased, whose index evolved with -5.36 % to a level of 1.06.

The Net Result of the company increased by 26.44 % 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 7.12 % of the analysed period, being 27.85 in the year 2017.

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

The turnover of the company grew with 4.35 % between 2015 and 2016.

The operating result of the company declined with -17.54 % between 2015 and 2016. 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 -21.12 % of the analysed period, being equal to 14.83 in the year 2016.

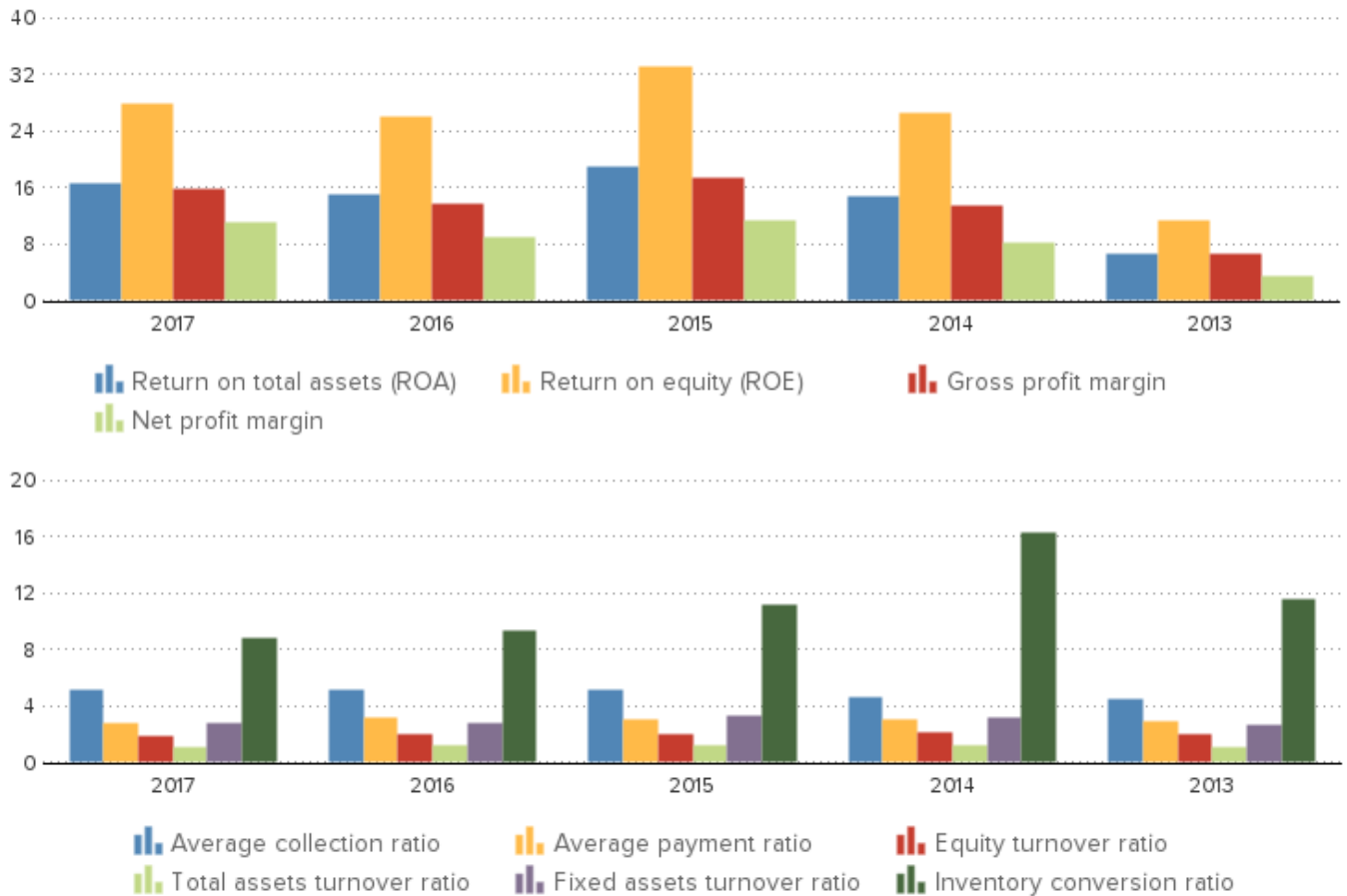
Despite the decline the assets turnover did not change, the index remained the same at 1.12.

The Net Result of the company decreased by -16.87 % 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 -21.54 % of the analysed period, being 26 in the year 2016.

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



COUNTRY INFORMATION

Population	60.7 million
GDP per capita	30507 USD
Country risk	Below average
Company risk	Low

PUBLICATIONS

Remarks	Status: Active
	Category: Medium sized company
	Last year: 2017
	Turnover last year: 7.389.003 EUR

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Result last year: 819.225 EUR
TOTAL assets last year: 6.959.859 EUR
Number of employees: 40
Number of shareholders: 3
Number of subsidiaries: 0
Number of branches: 0

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
EURO	1	INR 84.72

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	POJ

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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)