

MIRA INFORM REPORT

Report No. :	528769
Report Date :	07.09.2018

IDENTIFICATION DETAILS

Name :	MORGAN CARBON ITALIA S.R.L.
Registered Office :	Via Roma, 338 64014 – Martinsicuro (TE) -IT-
Country :	Italy
Financials (as on) :	31.12.2017
Date of Incorporation :	26.03.1958
Legal Form :	Sole-Member Limited Liability Company
Line of Business :	Manufacture of electronic components and boards.
No. of Employees :	From 111 to 130

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.

ECGC Country Risk Classification List

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
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 records. 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

COMPANY NAME AND ADDRESS

Euroanalysis Full

Morgan Carbon Italia S.r.l.
Via Roma, 338
64014 - Martinsicuro (TE) -IT-

SUMMARY

Fiscal Code	:	00778870154
Legal Form	:	Sole-Member Limited Liability Company
start of Activities	:	01/08/2005
Equity	:	2.500.000
Turnover Range	:	18.000.000/20.000.000
Number of Employees	:	from 111 to 130

ACTIVITY

Manufacture of electronic components and boards

LEGAL DATA

Legal Form : Sole-Member Limited Liability Company
Fiscal Code : 00778870154
Chamber of Commerce no. : 72842 of Ascoli Piceno
Chamber of Commerce no. : 135168 of Teramo since 06/07/2005
V.A.T. Code : 00527230445
Establishment date : 26/03/1958
Start of Activities : 01/08/2005
Legal duration : 31/12/2050
Nominal Capital : 1.800.000
Subscribed Capital : 1.800.000
Paid up Capital : 1.800.000

Legal mail : AMMINISTRAZIONE.MCI@PEC.MORGANPLC.IT

MEMBERS

● **Thermal Ceramics Italiana S.r.l.**

Residence: V.pisani , 20 - 20124 Milano (MI) - IT -

Position	Since	Shares Amount	% Ownership
Sole partner			

No Prejudicial events are reported
No Protests registered

● **Marrone Eugenio**

Born in Repubblica Sudafricana () on 13/08/1965 - Fiscal Code : MRRGNE65M13Z347Q
Residence: Arapietra , 50 - 65124 Pescara (PE) - IT -

Position	Since	Shares Amount	% Ownership
Director	29/04/2014		
Managing Director	29/04/2014		

No Prejudicial events are reported
No Protests registered

● **Aliprandi Gianni**

Born in Pescara (PE) on 26/11/1970 - Fiscal Code : LPRGNN70S26G482K
Residence: Roma , 338 - 64014 Martinsicuro (TE) - IT -

Position	Since	Shares Amount	% Ownership
Director	10/07/2018		
Managing Director	12/07/2018		

No Prejudicial events are reported
No Protests registered

● **Medeossi Cecilia**

Born in Udine (UD) on 04/04/1973 - Fiscal Code : MDSCCL73D44L483W
Residence: Enzo Ferrari , 9/C - 64018 Tortoreto (TE) - IT -

Position	Since	Shares Amount	% Ownership
Procurator	18/06/2018		

No Prejudicial events are reported
No Protests registered

● **Cantalamesa Luigi**

Born in Colli del Tronto (AP) on 03/01/1962 - Fiscal Code : CNTLGU62A03C877S
Residence: A. De Gasperi , 279 - 63033 Montepandone (AP) - IT -

Position	Since	Shares Amount	% Ownership
Director	29/04/2014		
Managing Director	29/04/2014		

No Prejudicial events are reported
No Protests registered

● **Herke John Joseph**

Born in Cill Chainnigh Kilkenny () on 23/09/1968 - Fiscal Code : HRKJNJ68P23Z116U
Residence: Wald Str. 86 Bad Breisig - DE -

Position	Since	Shares Amount	% Ownership
Board Chairman	29/04/2014		
Director	29/04/2014		

No Prejudicial events are reported
No Protests registered

● **Velotti Stefano**

Born in Roma (RM) on 21/08/1971 - Fiscal Code : VLTSFN71M21H501H
Residence: 185 Reggim Art Folgore , 17 - 57128 Livorno (LI) - IT -

Position	Since	Shares Amount	% Ownership
Procurator	18/06/2018		

No Prejudicial events are reported
No Protests registered

● **Malvaux Yannik**

Born in Arlon () on 27/02/1972 - Fiscal Code : MLVYNK72B27Z103H
Residence: Rue Du Maitrank , 39 - 6700 Arlon - BE -

Position	Since	Shares Amount	% Ownership
Director	29/04/2014		

● **Urigu Massimo**

Born in Cuneo (CN) on 24/06/1963 - Fiscal Code : RGUMSM63H24D205D

Residence: Vincenzo Steffenone , 4 - 10134 Torino (TO) - IT -

Position	Since	Shares Amount	% Ownership
Procurator	18/06/2018		

No Prejudicial events are reported
No Protests registered

● Marra Pasquale

Born in Colonnella (TE) on 30/10/1955 - Fiscal Code : MRRPQL55R30C901Y
Residence: Lippi , 16/C - 64014 Martinsicuro (TE) - IT -

Position	Since	Shares Amount	% Ownership
Procurator	18/06/2018		

No Prejudicial events are reported
No Protests registered

COMPANIES CONNECTED TO MEMBERS

*checkings have been performed on a national scale.

In this module are listed the companies in which members hold or have holded positions.

● Aliprandi Gianni

Firm's Style	Seat	Fiscal Code	Position	Position Status	Firm's Status
Pilkington Italia S.p.a.	San Salvo (CH) - IT -	00091380691	Procurator	Withdrawn	Registered

The indication "REGISTERED" as Firm Status could refer to Firms in Liquidation, Active, Inactive, etc.
For more information, in this case, we advise to request further investigations.

CAPITAL SHAREHOLDERS

Shareholders' list as at date of data collection:

Firm's Style / Name	Seat / Residence	Fiscal Code	Owned Shares	% Ownership
Thermal Ceramics Italiana S.r.l.	Milano - IT -	10069330156		100,00

DIRECT PARTICIPATIONS

The Company under review has no participations in other Companies.

FIRM'S LOCATION AND STRUCTURE

In order to carry out its activities the firm uses the following locations:

- Legal and operative seat

Roma , 338 - 64014 - Martinsicuro (TE) - IT -
TELEX : 332160
PHONE : 0735701550
FAX : 0735701550
Legal mail : AMMINISTRAZIONE.MCI@PEC.MORGANPLC.IT

Employees : 128

Fittings and Equipment for a value of 3.150.000 Eur

Stocks for a value of 2.850.000 Eur

The firm operates abroad as importer / exporter..

To purchase foreign products the firm uses the following channels :

- direct orders to foreign companies

Export represents up to 20% of the global turnover.

Products abroad are placed by :

- direct orders from foreign companies

Import comes generally from the following nations:

- France

HISTORICAL INFORMATION AND/OR FIRM'S STATUS

CEASINGS/INCORPORATIONS/MERGES:

● Project of merging by taking over of

Elettrolitica Del Basso Nera S.p.a. (e.b.n. Spa)

Roma , 338 , 64014 , Martinsicuro (TE) - IT -

Fiscal Code: 00059040675

Date Merging/splitting-up project: 01/01/2005

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- The firm absorbed by merging of
Elettrolitica Del Basso Nera S.p.a. (e.b.n. Spa)
Roma , 338 , 64014 , Martinsicuro (TE) - IT -
Fiscal Code: 00059040675
Date : 15/12/2005

PROTESTS

Protests checking on the subject firm has given a negative result.

DATA BASE PREJUDICIAL EVENTS SEARCH

Search performed on a National Scale

- **Prejudicial Events Search Result:**

Legal Mortgage on 06/07/2009. for an amount of 338.988 Euro. Event writing-off
 EQUITALIA PRAGMA SPA

Search performed on a specialized data base.

LEGAL PROCEDURES

None reported, standing to the latest received edition of the Official Publications.

NATIONAL REAL ESTATES SURVEY

The firm under review, by the reported percentages, owns the following real estates:

Town	Cadastre	No. Immovables	Up to Date
MARTINSICURO (TE)	Buildings	7	05/09/2018

Buildings Details

Cadastr e	Title	Location	Shee t No.	Particl e No.	Su b No.	Categori e	Class e	Consistenc e	Cadastr al Rent	Part No.
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B	Propriet a' per 1/1	MARTINSICUR O (TE) VIA ROMA, 338 Piano T	22	145	14	zona1 cat. D/7	Euro: 2.036,00
B	Propriet a' per 1/1	MARTINSICUR O (TE) VIA ROMA, 338 Piano T	22	145	15	zona1 cat. D/7	Euro: 3.282,00
B	Propriet a' per 1/1	MARTINSICUR O (TE) VIA ROMA, 338 Piano T	22	145	16	zona1 cat. D/7	Euro: 7.908,00
B	Propriet a' per 1/1	MARTINSICUR O (TE) VIA ROMA, 338 Piano T	22	145	17	zona1 cat. D/7	Euro: 432,00
B	Propriet a' per 1/1	MARTINSICUR O (TE) VIA ROMA, 338 Piano T-1	22	145	18	zona1 cat. D/7	Euro: 3.414,00
B	Propriet a' per 1/1	MARTINSICUR O (TE) VIA ROMA, 338 Piano T-1	22	145	19	zona1 cat. D/7	Euro: 14.878,0 0
B	Propriet a' per 1/1	MARTINSICUR O (TE) VIA ROMA, 338 Piano T	22	145	9	zona1 cat. D/7	Euro: 266,00

All responsibilities are declined regarding any possible omissions concerning the given results. Therefore, we advise to request for "Hypothecating Survey Inspection" c/o the locally competent RR.II. Immobiliaries Registry, as this service doesn't fully guarantees the actual title of the Real Estates of the requested Subject.

FINANCIAL AND ECONOMICAL ANALYSIS

Subject is active since 2005

Balance sheets for the years 2015, 2016 and 2017 were analyzed.

Under the financial profile unstable results are noted. anyway in 2017 a positive result was achieved (r.o.e. 17,64%). In the last financial year an increase in the turnover has been registered (+7,56%).

The operating result was positive in the last financial year (5,42%) and in line with the sector's average.

The amount of the operating result for the year 2017 is of Eur. 837.847 increasing if compared to the year 2016.

The gross operating margin of the latest financial year is of Eur. 1.884.745 with a 26,04% increase as opposed to the preceding year.

The ratio between shareholder's equity and borrowed capital is not well balanced, the indebtedness level is equal to 4,77 falling if compared to 2016.

Subject can manage an equity capital funds for an amount of Eur. 2.377.282 , rising by 21,41%.

Total debts (both short and M/L term) equals Eur. 11.594.306, on the same levels as the year before.

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The financial exposure is moderate, on the other hand the recourse to commercial credit is high, with a high average payment period even in comparison with the sector's.

Even liquidity is rather modest.

Accounts receivable average term is 79,05 days. , a better value than the sector's average.

During financial year 2017 the cash flow amounted to Eur. 1.386.139

Subordinate employment cost is of Eur. 8.266.061, i.e. 42,02% on total production costs. , with a 41,82% incidence on turnover.

Limited financial charges in relation to sales volume.

FINANCIAL DATA

● Complete balance-sheet for the year al 31/12/2017 (in Eur x 1)

Item Type	Value
Sales	19.764.977
Profit (Loss) for the period	419.241

● Complete balance-sheet for the year al 31/12/2016 (in Eur x 1)

Item Type	Value
Sales	18.375.139
Profit (Loss) for the period	163.578

● Complete balance-sheet for the year al 31/12/2015 (in Eur x 1)

Item Type	Value
Sales	16.510.260
Profit (Loss) for the period	-364.723

● Complete balance-sheet for the year al 31/12/2014 (in Eur x 1)

Item Type	Value
Sales	16.192.294
Profit (Loss) for the period	-149.381

● Complete balance-sheet for the year al 31/12/2013 (in Eur x 1)

Item Type	Value
Sales	14.910.348
Profit (Loss) for the period	-215.830

BALANCE SHEETS

From our constant monitoring of the relevant Public Administration offices, no more recent balance sheets result to have been filed.

- Balance Sheet as at 31/12/2017 - 12 Mesi - Currency: - Amounts x 1

- Balance Sheet as at 31/12/2016 - 12 Mesi - Currency: - Amounts x 1

- Balance Sheet as at 31/12/2015 - 12 Mesi - Currency: - Amounts x 1

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Years	2017	2016	2015
BALANCE SHEET ACCOUNTS			
ASSETS			
CREDITS VS PARTNERS			
. Deposits not yet withdrawn			
. Deposits already withdrawn			
Total credits vs partners			
FIXED ASSETS			
. INTANGIBLE FIXED ASSETS			
. . Start-up and expansion expenses			
. . Research,develop. and advert.expens.			
. . Industrial patent rights		17.169	1.197
. . Concessions,licenses,trademarks,etc.			
. . Goodwill			
. . Assets in formation and advance paymen.			
. . Other intangible fixed assets			
. Total Intangible Fixed Assets	10.002	17.169	1.197
. TANGIBLE FIXED ASSETS			
. . Real estate		3.396.177	3.538.089
. . Plant and machinery		2.669.289	2.665.294
. . Industrial and commercial equipment		482.103	368.215
. . Other assets		52.586	50.126
. . Assets under construction and advances		384.000	27.000
. Total Tangible fixed assets	7.379.726	6.984.155	6.648.724
. FINANCIAL FIXED ASSETS			
. . Equity investments			3.900
. . . Equity invest. in subsidiary companies			
. . . Equity invest. in associated companies			
. . . Equity invest. in holding companies			
. . . Equity invest. in other companies			3.900
. . Financial receivables		4.000	
. . . . Within 12 months			
. . . . Beyond 12 months		4.000	
. . . Receivab due from subsidiaries			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . . Receivables due from assoc.comp.			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . . Receivables due from holding comp.			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . . Receivables due from third parties		4.000	
. . . . Within 12 months			
. . . . Beyond 12 months		4.000	
. . Other securities			
. . Own shares			
. . . Total nominal value			

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. Total financial fixed assets	76.396	4.000	3.900
Total fixed assets	7.466.124	7.005.324	6.653.821
CURRENT ASSETS			
. INVENTORIES			
. . Raw materials and other consumables		1.007.256	992.533
. . Work in progress and semimanufactured		724.440	850.776
. . Work in progress on order			
. . Finished goods		618.516	569.809
. . Advance payments			
. Total Inventories	2.849.224	2.350.212	2.413.118
. CREDITS NOT HELD AS FIXED ASSETS			
. . Within 12 months	4.805.561	4.432.681	4.105.265
. . Beyond 12 months			215.873
. . Trade receivables	4.076.993	3.395.875	2.853.043
. . . . Within 12 months	4.076.993	3.395.875	2.853.043
. . . . Beyond 12 months			
. . Receivables due from subsid. comp.			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Receivables due from assoc. comp.	88.385		451.025
. . . . Within 12 months	88.385		451.025
. . . . Beyond 12 months			
. . Receivables due from holding comp.	174.892	146.862	189.741
. . . . Within 12 months	174.892	146.862	57.623
. . . . Beyond 12 months			132.118
. . Fiscal Receivables	296.187	643.257	646.379
. . . . Within 12 months	296.187	643.257	562.624
. . . . Beyond 12 months			83.755
. . Receivables for anticipated taxes	138.977	138.897	115.579
. . . . Within 12 months	138.977	138.897	115.579
. . . . Beyond 12 months			
. . Receivables due from third parties	30.127	107.790	65.371
. . . . Within 12 months	30.127	107.790	65.371
. . . . Beyond 12 months			
. Total Credits not held as fixed assets	4.805.561	4.432.681	4.321.138
. FINANCIAL ASSETS			
. . Equity invest. in subsidiary comp.			
. . Equity invest. in associated companies			
. . Equity invest. in holding companies			
. . Other equity investments			
. . Own shares			
. . . Total nominale value			
. . Other securities		67	67
. Total Financial Assets		67	67
. LIQUID FUNDS			
. . Bank and post office deposits	259.083	35.760	71.787
. . Checks			
. . Banknotes and coins	3.031	1.722	1.744
. Total Liquid funds	262.114	37.482	73.531

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Total current assets	7.916.899	6.820.442	6.807.854
ADJUSTMENT ACCOUNTS			
. Discount on loans			
. Other adjustment accounts		65.186	79.447
Total adjustments accounts	72.478	65.186	79.447
TOTAL ASSETS	15.455.501	13.890.952	13.541.122
LIABILITIES			
STOCKHOLDERS' EQUITY			
. Capital stock	1.800.000	1.800.000	1.800.000
. Additional paid-in capital	304.363	304.363	304.363
. Revaluation reserves			
. Legal reserve	63.002	54.823	54.823
. Reserve for Own shares			
. Statute reserves			
. Other reserves			
. Accumulated Profits (Losses)	-209.324	-364.723	
. Profit(loss) of the year	419.241	163.578	-364.723
. Advances on dividends			
. Partial loss of the year Coverage			
Total Stockholders'Equity	2.377.282	1.958.041	1.794.463
RESERVES FOR RISKS AND CHARGES			
. . Reserve for employee termination indem.		20.881	19.881
. . Taxation fund, also differed		740.154	772.897
. . Other funds		183.406	157.971
Total Reserves for Risks and Charges	979.627	944.441	950.749
Employee termination indemnities	500.305	560.579	563.933
ACCOUNTS PAYABLE			
. . . . Within 12 months	11.594.306	10.169.299	10.231.977
. . . . Beyond 12 months			
. . Bonds			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Convertible bonds repayable			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to shareholders for financing			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to banks		581.350	679.400
. . . . Within 12 months		581.350	679.400
. . . . Beyond 12 months			
. . Due to other providers of finance			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Advances from customers	43.629	96.249	18.198
. . . . Within 12 months	43.629	96.249	18.198
. . . . Beyond 12 months			
. . Trade payables	2.746.900	2.332.207	1.619.472
. . . . Within 12 months	2.746.900	2.332.207	1.619.472

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. . . . Beyond 12 months			
. . Securities issued			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to subsidiary companies			
. . . . Within 12 months			
. . . . Beyond 12 months			
. . Due to associated companies	331.556		480.250
. . . . Within 12 months	331.556		480.250
. . . . Beyond 12 months			
. . Due to holding companies	6.691.970	5.129.143	5.822.216
. . . . Within 12 months	6.691.970	5.129.143	5.822.216
. . . . Beyond 12 months			
. . Due to the tax authorities	139.004	190.937	197.247
. . . . Within 12 months	139.004	190.937	197.247
. . . . Beyond 12 months			
. . Due to social security and welfare inst.	273.735	262.338	233.447
. . . . Within 12 months	273.735	262.338	233.447
. . . . Beyond 12 months			
. . Other payables	1.367.512	1.577.075	1.181.747
. . . . Within 12 months	1.367.512	1.577.075	1.181.747
. . . . Beyond 12 months			
Total accounts payable	11.594.306	10.169.299	10.231.977
ADJUSTMENT ACCOUNTS			
. Agio on loans			
. Other adjustment accounts			
Total adjustment accounts	3.981		
TOTAL LIABILITIES	15.455.501	13.632.360	13.541.122

MEMORANDUM ACCOUNTS

Third party goods
Investment accounts
Risk accounts
Civil and fiscal norms relation

PROFIT AND LOSS ACCOUNTS

VALUE OF PRODUCTION

. Revenues from sales and services	19.764.977	18.375.139	16.510.260
. Changes in work in progress	405.864	-101.971	237.366
. Changes in semi-manufact. products			
. Capitalization of internal work			
. Other income and revenues	340.419	458.172	658.513

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. . Contributions for operating expenses			
. . Different income and revenues		458.172	658.513
Total value of production	20.511.260	18.731.340	17.406.139
PRODUCTION COSTS			
. Raw material, other materials and consum.	4.916.369	4.854.968	4.528.985
. Services received	5.029.790	4.252.650	4.384.978
. Leases and rentals	273.810	272.823	241.288
. Payroll and related costs	8.266.061	7.608.008	7.215.561
. . Wages and salaries		5.833.461	5.535.638
. . Social security contributions		1.493.760	1.397.158
. . Employee termination indemnities		280.787	282.765
. . Pension and similar			
. . Other costs			
. Amortization and depreciation	966.898	802.995	853.603
. . Amortization of intangible fixed assets	7.167	4.028	1.228
. . Amortization of tangible fixed assets	890.731	774.967	728.375
. . Depreciation of tangible fixed assets			
. . Writedown of current receiv. and of liquid	69.000	24.000	124.000
. Changes in raw materials	-93.148	-39.065	-28.349
. Provisions to risk reserves	80.000	32.000	74.000
. Other provisions			
. Other operating costs	233.633	286.679	130.166
Total production costs	19.673.413	18.071.058	17.400.232
Diff. between value and cost of product.	837.847	660.282	5.907
FINANCIAL INCOME AND EXPENSE			
. Income from equity investments			
. . In subsidiary companies			
. . In associated companies			
. . In other companies			
. Other financial income	12.883	24	2.619
. . Financ. income from receivables			
. . . Towards subsidiary companies			
. . . Towards associated companies			
. . . Towards holding companies			
. . . Towards other companies			
. . Financ. income from secur. t.f. assets			
. . Financ. income from secur. cur. assets			
. . Financ. income other than the above	12.883	24	2.619
. . . - Subsidiary companies			
. . . - Associated companies			
. . . - Holding companies			
. . . - Other companies			
. Interest and other financial expense	-284.707	-349.461	-5.716
. . Towards subsidiary companies			
. . Towards associated companies			
. . Towards holding companies			
. . Towards other companies			-5.716
Total financial income and expense	-271.824	-349.437	-3.097
ADJUSTMENTS TO FINANCIAL ASSETS			

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. Revaluations

- . . Of equity investments
- . . Of financ.fixed assets not repres.E.I.
- . . Of securities incl.among current assets

. Devaluation

- . . Of equity investments
- . . Of financial fixed assets (no equity inv)
- . . Of securities included among current ass

Total adjustments to financial assets

EXTRAORDINARY INCOME AND EXPENSE

. Extraordinary income

- . . Gains on disposals
- . . Other extraordinary income

. Extraordinary expense

- . . Losses on disposals
- . . Taxes relating to prior years
- . . Other extraordinary expense

Total extraordinary income and expense

Results before income taxes	566.023	310.845	-76.727
. Taxes on current income	146.782	147.267	-46.930
. . current taxes		148.651	75.733
. . differed taxes(anticip.)		56.060	-122.663
. Net income for the period	419.241	163.578	-364.723
. Adjustments in tax regulations pursuance			
. Provisions in tax regulations pursuance			
. Profit (loss) of the year	419.241	163.578	-364.723

RATIOS	Value Type	as at 31/12/2017	as at 31/12/2016	as at 31/12/2015	Sector Average
COMPOSITION ON INVESTMENT					
Rigidity Ratio	Units	0,48	0,50	0,49	0,22
Elasticity Ratio	Units	0,51	0,49	0,50	0,76
Availability of stock	Units	0,18	0,17	0,18	0,19
Total Liquidity Ratio	Units	0,33	0,32	0,32	0,52
Quick Ratio	Units	0,02	0,00	0,01	0,03
COMPOSITION ON SOURCE					
Net Short-term indebtedness	Units	4,77	5,17	5,66	2,39
Self Financing Ratio	Units	0,15	0,14	0,13	0,22
Capital protection Ratio	Units	0,07	0,00	0,20	0,65
Liabilities consolidation quotient	Units	0,04	0,06	0,06	0,23
Financing	Units	4,88	5,19	5,70	3,19
Permanent Indebtedness Ratio	Units	0,19	0,18	0,17	0,42
M/L term Debts Ratio	Units	0,03	0,04	0,04	0,13
Net Financial Indebtedness Ratio	Units	0,00	0,28	0,34	0,64
CORRELATION					
Fixed assets ratio	Units	0,39	0,36	0,35	1,80
Current ratio	Units	0,68	0,67	0,67	1,30
Acid Test Ratio-Liquidity Ratio	Units	0,44	0,44	0,43	0,92

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MORGAN CARBON ITALIA S.R.L. - 528769

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Structure's primary quotient	Units	0,32	0,28	0,27	1,08
Treasury's primary quotient	Units	0,02	0,00	0,01	0,05
Rate of indebtedness (Leverage)	%	650,13	709,43	754,61	456,81
Current Capital (net)	Value	-3.677.407	-3.348.857	-3.424.123	682.896
RETURN					
Return on Sales	%	7,01	5,26	5,01	4,56
Return on Equity - Net- (R.O.E.)	%	17,64	8,35	-1,50	6,81
Return on Equity - Gross - (R.O.E.)	%	23,81	15,88	-4,12	18,85
Return on Investment (R.O.I.)	%	5,42	4,75	0,04	5,41
Return/ Sales	%	4,24	3,59	0,04	4,75
Extra Management revenues/charges incid.	%	50,04	24,77	-456,86	35,79
Cash Flow	Value	1.386.139	966.573	826.616	237.257
Operating Profit	Value	837.847	660.282	5.907	228.892
Gross Operating Margin	Value	1.884.745	1.495.277	933.510	406.634
MANAGEMENT					
Credits to clients average term	Days	79,05	66,53	62,21	118,40
Debts to suppliers average term	Days	344,16	286,35	311,50	128,10
Average stock waiting period	Days	51,90	46,04	52,62	54,07
Rate of capital employed return (Turnover)	Units	1,28	1,32	1,22	1,13
Rate of stock return	Units	6,94	7,82	6,84	6,62
Labour cost incidence	%	41,82	41,40	43,70	18,32
Net financial revenues/ charges incidence	%	-1,38	-1,90	-0,02	-1,25
Labour cost on purchasing expenses	%	42,02	42,10	41,47	17,78
Short-term financing charges	%	2,46	3,44	0,06	3,03
Capital on hand	%	78,20	75,60	82,02	88,55
Sales pro employee	Value	76.608	77.532	73.378	190.738
Labour cost pro employee	Value	32.039	32.101	32.069	33.796

REMARKS

- 1) Protests checking (relative to the last five years) performed by crossing and matching the members names and the Firm's Style with the reported addresses, is supplied by the Informatic Registry managed by the Italian Chamber of Commerce. If the fiscal code is not indicated, the eventual homonymous cases are submitted to expert staff evaluation in order to limit wrong matching risks.
- 2) The Legal Data, supplied and retrived from the Firm's Registry of the Italian Chamber of Commerce, are in line with the last registered modifications.
- 3) Risk evaluation and Credit Opinion have been performed on the base of the actual data at the moment of their availability.

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MARKET / TERRITORY DATA

Population living in the province : 296.063
Population living in the region : 1.299.272
Number of families in the region : 479.313

Monthly family expences average in the region (in Eur..) :

- per food products : 448
- per non food products : 1.525
- per energy consume : 106

SECTOR DATA

The values are calculated on a base of 949 significant companies.

The companies cash their credits on an average of 118 dd.

The average duration of suppliers debts is about 128 dd.

The sector's profitability is on an average of 4,56%.

The labour cost affects the turnover in the measure of 18,32%.

Goods are held in stock in a range of 54 dd.

The difference between the sales volume and the resources used to realize it is about 1,13.

The employees costs represent the 17,78% of the production costs.

STATISTICAL DETRIMENTAL DATA

Statistically the trade activity shows periods of crisis.

The area is statistically considered remarkably risky.

In the region 11.587 protested subjects are found; in the province they count to 3.368.

The insolvency index for the region is 0,90, , while for the province it is 1,15.

Total Bankrupt companies in the province : 1.327.

Total Bankrupt companies in the region : 5.123.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.92
UK Pound	1	INR 92.80
Euro	1	INR 83.60
EURO	1	INR 83.66

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)