

CASA TARRADELLAS¹

1. HISTORY

Casa Tarradellas is a Catalan food company founded in 1976 by Josep Tarradellas Arcarons. Since its establishment, the company has always been located in the Catalan town of Gurb (Osona). The company started as a family business and, two years after being founded, they launched one of their more characteristic products, the Espetec fuet. It is a type of sausage that became very popular and an important leading product in the market. Thanks to its success, the company was expanded and became a S.A corporation. Since then, the company has kept launching innovative products to the market such as pâté, sliced ham, and pre-cooked sandwiches. However, what marked a milestone was the launch of fresh pizzas in 1998. Casa Tarradellas was consolidated as one of the most successful companies in its sector since the firm revolutionized the market. Until then, pizzas had been marketed as a frozen.

How has the company become one of the most successful ones in the production of butchery products and ready-made meals? Its main hallmarks are that Casa Tarradellas is a loyal follower of tradition and technological innovation.

First of all, it is important to highlight that the Casa Tarradellas was born as a small family business. Although its success has let them become a big corporation, it is still composed by agriculturalists and farmers, descendants of people who cultivated the land and bred livestock. Another fact that preserves its original essence is that the business administration of the company is formed by Josep Tarradellas as president, his wife Anna Maria Falgueras as vice president, their sons Josep Tarradellas Falgueras, Anna Tarradellas Falgueras and Maria Núria Tarradellas Falgueras as consultants and Conrad Blanch as secretary. Secondly, in spite of the essence of family business, the company has always brought with them a desire to improve and innovate. Proof to that is its continuous investment in R+D. Casa Tarradellas has bet on its vertical integration, which means that it produces its own raw materials in order to get the perfect final products. Since the very beginning, Casa Tarradellas has had its own porcine farms which have required a lot of investment in order to improve the processes of feeding and selecting the meat. Moreover, in 2010, the company decided to build a flour mill. Until that moment, they had external flour suppliers, but they started

¹ Case written by Gerard Campabadal, Daniel Castro, Tomás D'Adamo, Carla Ferrer, Júlia González and Patricia Santos, with the supervision of professor Oriol Amat. Universitat Pompeu Fabra, International Business Economics, 2017.

to produce their own flour since it is one of the basic products of their popular fresh pizzas and they also started to market fresh pizza dough. Moreover, Osona is a region devoted to the wheat industry. After an investment of 10 million euros, this flour mill has been enlarged in the recent years in order to double the amount produced.

Not only did they build a flour mill, but also an investigation center of wheat to determinate which is the kind of wheat that fits best to the elaboration of their pizzas. Another important investment was the construction of a recycling plant with the aim to deal with the plastic used in the packaging of some of their products.

Besides the flour mill and recycling plant, the company counts on 11 producing centers with 1800 workers in order to supply products not only for their own brand, but also for *Hacendado*, the ‘own-brand’ of Mercadona supermarkets.

Finally, as it is shown in figure 1, Casa Tarradellas always preserves its high quality, and it is due to this fact that it has obtained many international certificates.

Certification	Date	Description
ISO 9001:2000	1995	Casa Tarradellas is the first food company to obtain this certificate
ISO 14001	1998	Certificate that guarantees the environmental management system. Again, the first food company to obtain it
EMAS	2001	Certificate of European validation of environmental quality. Only 3000 firms worldwide have this certification, being 300 of the food industry
ECA	2002	Certificate that guarantees the quality of the products
ISO 22000	2007	First standard of certification of alimentary security with worldwide recognition
IFS	2007	Specific certification for pâté production, that awards the highest guaranties of alimentary security at worldwide level
OHSAS 18001	2007	Certification of voluntary character that responds to the will of implementing, maintaining and improving continuously the management system of labour risks prevention
BRC	2009	Obtained with grade A

Figure 1. Quality certificates obtained by Casa Tarradellas throughout the years

2. INDUSTRY ANALYSIS AND COMPETITORS

Since Casa Tarradellas produces several different products in the food sector, it is difficult to assess specifically the industry in which it operates. Therefore, we will refer to both the butchery and the pizza industries.

2.1. SWOT OF THE INDUSTRY

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Not seasonal products - Low competition: 4 main companies - Pizza sector: Frequent weekly consumption vs. pizza restaurants (occasional consumption) - Wide range of products 	<ul style="list-style-type: none"> - Severe drought might affect wheat crop. - In general, they are not considered healthy products- first products taken away when taking up diets. - The variety of pizzas for celiac people and vegan people is not sufficiently developed.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - Increasing number of young generations living on their own and who does not know how to cook. - Demographic and social change followed by new patterns of consumption. More ready-made meals consumption. 	<ul style="list-style-type: none"> - Consumer's interest in healthy food - OMS's claim in 2015 that meat and processed meat are carcinogenic - Strengthening of animal-loving, vegetarianism and environment friendly trends. - Higher future taxes on plastics wrappers

Figure 2. SWOT of the butchery and pizza industries

2.2. SALES EVOLUTION AND SALES GROWTH

Since 1994, Casa Tarradellas has increased its operating income year after year. In 2015, last year with available accounts, Casa Tarradellas had a turnover of 861.971 million euros. Besides the continuous increase in sales, Casa Tarradellas has had periods of greater and smaller sales growth. In figure 3, we can observe that the period of years in which Casa Tarradellas had a greater growth was from 1998 and 2001 reaching the peak in 2000 with a sales growth of 45%. The two most likely reasons that explain this fact are the launch of the fresh pizza in 1998 and the fact that the company was at the beginning of its life cycle.

Out of the whole income of the company, 58% comes from selling refrigerated meals, which are mainly pizzas, and the other 42% comes from butchery products. Since Casa Tarradellas is not specialized in just one type of food production but in more than one, a straight comparison with another company

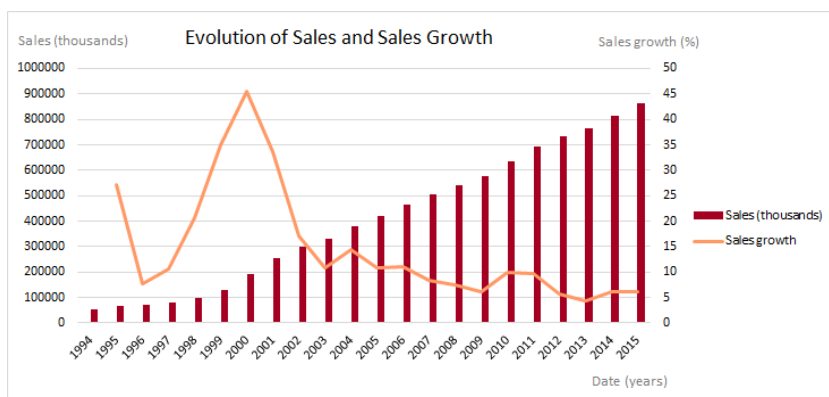


Figure 3. Evolution of sales and sales growth of Casa Tarradellas (1994-2015)

would not be completely fair. In the market, we cannot find companies with the same profile of Casa Tarradellas but just some competitors for each of the sectors in which the company operates.

According to *Infocif Sales Rankings*, in the National Ranking of food companies, Casa Tarradellas was placed in number 8. Although we know that it is difficult to make comparisons, in this ranking El Pozo Alimentación SA and Campofrío Food Group SA are placed in the 5th and 6th position respectively. This fact should be considered because both companies are main competitors for both of the main product lines of Casa Tarradellas. El Pozo Alimentación SA is found in the butchery sector marketing products very similar to the ones marketed by Casa Tarradellas such as “fuet” and sliced ham. Campofrío Food Group SA has not only similar meat products but also fresh pizzas. However, it is crucial to state that these two competitors have a greater scope of product lines and higher exportations.

2.3. MAIN COMPETITORS

As mentioned before, Casa Tarradellas has different lines of business through the different products that it offers. Therefore, it is important to analyze its main competitors taking this into account. We will focus on the two main product lines offered by Casa Tarradellas: fresh pizza and cold meat.

On the one hand, we have Campofrío and Palacios Alimentación, which offer similar products to those of Casa Tarradellas since all of them produce cold meat and fresh pizza.

On the other hand, we have El Pozo, another important company in the Spanish market that only competes with Casa Tarradellas in the butchery sector.

Campofrío

Campofrío was founded in 1952 in Burgos as a family business. It went to the stock market in 1988 and it is a subsidiary of the Mexican “Sigma” since 2013.

It offers a wide variety of products, being the most relevant for our study the “fuet”, sliced cold meat and fresh pizzas.

It is important to notice that Campofrío produces and exports abroad, reaching more than 250 million consumers in 45 countries.

El Pozo

El Pozo was founded in 1954 in Murcia, starting to produce and commercialize butchery.

It is present in 82 countries of Europe, America, Africa and Asia.

Palacios Alimentación

Palacios started in 1960 in a municipality of La Rioja as a family run butcher's. In 1983, they started to produce their own "chorizo" and a few decades later, they are offering many different products such as omelets, pizzas and cold meat.

After analysing some useful ratios to compare the situation of the different companies mentioned above, such as return on assets, assets turnover, acid test and sales growth, we can state that, in general, Casa Tarradellas is in a good position, taking into account that Palacios is passing through a bad situation, while Campofrío and El Pozo are in a usual one.

3. PRESENT SITUATION OF THE COMPANY

3.1. PRODUCTS OFFERED

Although Casa Tarradellas is well-known for its famous fresh pizzas and the sausage called Fuet Espetec, it has a very wide range of products.

- **Fuet Espetec:** this type of sausage released to the market in 1978 was the flagship product of the company during its first years until the appearance of fresh pizza. It allowed the company to expand and introduce new products in the food market.

Currently, the product is produced with pork from their own farms and it continues being an important product in the market.

- **Pâté:** Casa Tarradellas offers a great variety of pâtés. We can choose among 10 different flavors: Chicken, Fines Herbs, Pepper, Iberian Ham, Ham, Country, Duck, Olive, Salmon and Tuna pâté.
- **Sliced Deli Ham:** this product, introduced in the market in the year 1990, was a very innovative product since Casa Tarradellas was the first company to sell ham in slices instead of selling it in one piece only. In the recent years, the company changed its packaging in order to make the product more visible for the customer.
- **Pizzas:** in 1998, a new product made a difference: Casa Tarradellas presented its fresh pizzas. Before that, all the pizzas in the market were frozen. After that, the company revolutionized the market and fresh pizza became its main product. Nowadays, the company offers 12 different types of pizza: Rustic Chicken, Chicken, Cheese and ham, 4 Cheeses, Barbecue, Romana, Serrano, Tuna and Bacon, Carbonara, Mediterranean, Pepperoni and Margherita Pizza. To understand the importance of the

product we need to take into account that a new factory, which cost 25 million euros, will be built in the next years.

- **Mixto Grilled Sandwich:** it was introduced in the market in the year 2005. The product is a cheese and ham sandwich ready to eat after heating it in the grill during just 3 minutes.
- **Bacon strips:** the product consists of bacon cut into small pieces.
- **Fresh Dough:** Casa Tarradellas launched the product to the market in year 2007. It offers 3 kinds of fresh dough: Pizza Dough, to make your own pizzas with the ingredients that you prefer, and Puff Pastry Butter Dough and Puff Pastry Dough to cook desserts.

3.2. CUSTOMERS AND DISTRIBUTION CHANNELS

In order to define Casa Tarradellas' customer target, we have made a cautious analysis of its most famous adverts. Since its foundation, Casa Tarradellas has focused on a family target, remarking with a highly emotional impact the importance and value of gathering together with those who really matter for us. This can be seen in its "At Home" campaign, where 17 families from different Spanish autonomous communities recorded themselves enjoying their weekend with the delectable varieties of Casa Tarradellas' products. Another remarkable spot was the one which used the claim "Nowhere like home", and showed different generations of a family in their cottage, representing the essence of the company's origins.

Additionally, by considering its products' facilities in matters of low time elaboration, we can also identify young people as frequent customers.

In terms of consumer protection, Casa Tarradellas holds the BRC Bureau Veritas Certification which ensures the maintenance of a standard quality on its products, safety implications, and manufacturers' commitment to accomplish their legal obligations implying the provision of protection to the final consumer. What is more, as most of the companies, Casa Tarradellas has a customer support phone number assigned for any suggestion, query or complaint.

When analysing Casa Tarradellas' distribution channels, we can observe the existence of a vertical production process where the company controls the whole production stages. In this way, the company's logistics are assigned to "Transportes alimentarios y distribuciones Osona S.L.", owned by the company. This S.L. provides a better tracing of the product by the control and forecast of its distribution channel. The company uses a mono-channel of short length, as it has few intermediaries (manufacturer, distributor and customer). In addition, it has an intensive market coverage as its products can be found in almost all nearby supermarkets and grocery stores.

3.3 KEY SUCCESS FACTORS

Casa Tarradellas is one of the most important firms in the food sector, especially in frozen pizza. It has been one of the leading companies for many years. But how have they achieved such a success? After doing an exhaustive analysis, we have determined several of the key factors.

Innovation: they are continuously investing in R+D (research and development), and a proof of that is, as we can see in Figure 5, Casa Tarradellas has invested in flour centers, in order to produce by themselves the main raw material for pizzas, and extensions to them. They have also invested 25 million euros in a new high-tech pizza factory and they have renewed one of the plants devoted to the production of “espetec” which have improved its productivity and efficiency. Moreover, as we pointed out in the introduction, they have invested over 10 million in a flour mill. They claim that singularity is what makes them special, and that is why, they continue launching new products and spread their brand in other sectors while they expand the ones they have already consolidated.

Future perspective: they were pioneer on the fresh pizza sector. Being the first to introduce this kind of pizzas is a clear signal of its vision and of its future perspective.

Capacity to adapt: Casa Tarradellas started as a family business, dedicated to butchery. Now they produce butchery, pizzas and even pâté.

Vertical integration: this is the type of organizational structure they chose to produce, and it has been quite effective. Producing fresh goods by themselves, gives them a good leverage respect to other companies. They are able to minimize transaction costs while keeping coordination costs very low, and this way they can also ensure a high standard of quality to the customer.

Quality and freshness: many customers and gastronomic critics have remarked the quality of the products.

Social Responsibility: Casa Tarradellas built a recycling center of plastic some years ago, since nowadays' society appreciates and values that companies invest time or resources in being eco-friendly, improving or helping the community.

Neuro-marketing: Maybe one of the most important and the least known. Their adverts are well recognised, and this is because they use the latest strategies in neuro-marketing, which consist on analysing the response the advert would have on the viewer and trying to stimulate this emotion to create an emotional response. In the case of Casa Tarradellas, they emphasize on the family and homemade products feelings.

Year	Innovation
1997	First fresh pizza production plant
2003	Beginning of the meat production plant's operations and new pizza factory inauguration
2004	New quiche production plant and new ham and cheese sandwich line
2008	5 th pizza production plant and new puff pastry pizza's dough plant inauguration
2009	New Espetec Fuet and Chorizo production plant
2010	New flour production centre
2011	Espetec Fuet and Chorizo production plant expansion
2011	New gluten-free pizza production plant
2013	New plastic recovery centre
2013	New Logistic centre
2017	Flour production centre extension
2017	New pizza production plant

Figure 4. Timeline of the innovations made by Casa Tarradellas during the last 20 years

Below, we can see four key qualitative aspects of Casa Tarradellas:

WHO?	Josep Tarradellas Arcarons , is the founder of Casa Tarradellas and he has been helped by his wife and children.
WHAT?	They have established themselves in the business of fresh pizza, butchery and other types of food like sandwiches
HOW?	Coming from a traditional family business they have expanded through vertical integration and innovation
WHEN?	They started in 1976 , since then they have had an exponential increase in profits. In 1988, they released their most profitable and well recognized product: the fresh pizza.

Figure 5. Key qualitative aspects of Casa Tarradellas

4. MAIN CHALLENGES THE COMPANY IS FACING

The company has to take into account that consumers are changing their preferences and the way they choose products. In the last years, the awareness among consumers of the need to protect the environment has increased, so the company should take actions in order to be environmentally friendly. According to their official report, in 2015, they have already reduced by 11.85% the consumption of natural gas and by 45% the electricity consumption by the substitution of conventional lightning by LED lightning. In general, Casa Tarradellas has invested 3157 thousand euros in the environmental improvement, assessment and control. However, one of his aims is to reduce by 10% the electric consumption in the next quarter.

Casa Tarradellas has also other aims to be achieved in the future which are:

- The use of net profit to capitalise the company and to make new investments that ensure the long-term competitiveness of the company.
- To invest in the comprehensive renovation of one of the plants that produces pizzas, pizza dough and the incorporation of new technology in the production process.
- To keep training workers and to foster internal promotion in order to achieve a higher worker's implication and satisfaction.
- In the commercial field, the company has the aim of boosting the product innovation, consolidating the brand name and increasing its market share.
- To support cultural and sportive events.

Beside these aims, which have been stated by the own company, we think that there is another important challenge which should be considered as well. That is, the adaptation to new food trends such like vegetarianism and flexitarianism.

According to a study carried on by the consulting firm Lantern, in Spain, there is a 7.8% of vegetarian population and in Europe, which is where Casa Tarradellas exports the most, the vegetarian population is even higher.

The increase in vegetarian trends and in the concern about health and ethics has deviated the demand for butchery products. According to *el Panel de Alimentación del Ministerio de Agricultura y Pesca, Alimentación y Medio Ambiente* Spanish population consumes a 3% less of meat than 10 years ago and a 3% more of vegetables. This new demand has been clearly captured by the restaurant sector. In Spain, from 2000 to 2014, vegetarian restaurants have increased by 94% and in 2016, there were around 7 vegetarian restaurants per 1 million of inhabitants. As well as in restaurants, there is also an increasing need for vegetarian products in supermarkets. In fact, some meat companies have already launched specific vegetarian product lines. Thus, although it is precipitate to know, it might be possible that in a near future Casa Tarradellas should, somehow, open up and adapt to new demands.

QUESTIONS:

1. Analyse the Balance Sheets, Profit and loss accounts and Cash Flow Statement in order to identify strengths and weaknesses.
2. Analyse the ratios and specifically:
 - a) Debt and capitalization
 - b) Assets management
 - c) Deadlines
 - d) Sales
 - e) Liquidity
 - f) Profitability, self-financing and growth
 - g) Dividends
3. Prepare a table containing the main quantitative strengths and weaknesses of the company. Prepare also the qualitative SWOT of Casa Tarradellas.
4. Construct a cause and effect diagram.
5. Think about measures and recommendations and demonstrate what would be their effect.

APPENDIX

	AVERAGE COMPETITORS (2015)	31/12/2015 mil.€UR		31/12/2014 mil.€UR		31/12/2013 mil.€UR		31/12/2012 mil.€UR		31/12/2011 mil.€UR	
NON-CURRENT ASSETS	57,63	79.814	17,84	79.235	20	83.544	24,83	92.382	23,49	67.925	19,496
Intangible Assets	6,07	494	0,11	375	19,85	339	0,1	335	0,09	310	0,089
Tangible fixed Assets	18,88	77.604	17,35	69.549	17	70.123	20,844	78.643	19,99	53.941	15,482
Other fixed Assets	32,68	1.716	0,38	9.311	2,33	13.082	3,89	13.404	3,41	13.674	3,925
CURRENT ASSETS	42,37	367.498	82,16	319.843	80,15	252.882	75,17	300.969	76,51	280.487	80,504
Stock	11,41	29.198	6,53	29.193	7,32	36.316	10,79	29.978	7,62	22.022	6,321
Debtors	10,68	98.221	21,96	91.438	22,91	81.423	24,2	106.798	27,15	117.453	33,711
Other current Assets	20,28	240.079	53,67	199.212	49,92	135.143	40,17	164.193	41,74	141.012	40,473
Cash and cash equivalents	10,53	556	0,12	2.004	0,5	124	0,04	505	0,13	17	0,005
TOTAL ASSETS	100	447.312	100	399.078	100	336.426	100	393.351	100	348.412	100
SHAREHOLDERS FUNDS	42,67	301.618	67,43	278.465	69,78	257.484	76,54	217.000	55,17	183.755	52,74
Capital	3,58	1.803	0,4	1.803	0,45	1.803	0,54	1.803	0,46	1.803	0,52
Other shareholders funds	39,09	299.815	67,03	276.662	69,33	255.681	76	215.197	54,71	181.952	52,22
			0		0						
NON-CURRENT LIABILITIES	22,44	36.989	8,27	30.024	7,52	17.274	5,13	32.978	8,38	26.034	7,47
Long-term debt	20,18	729	0,16	750	0,19	872	0,26	6.162	1,57	816	0,23
Other non-current liabilities	2,26	36.260	8,11	29.274	7,34	16.402	4,88	26.816	6,82	25.218	7,24
Suppliers	1,43	32.197	7,2	24.782	6,21	10.672	3,17	20.661	5,25	19.900	5,71
			0		0						
CURRENT LIABILITIES	34,89	108.705	24,3	90.589	22,7	61.668	18,33	143.373	36,45	138.623	39,79
Financial debt	6,18	57.039	12,75	43.800	10,98	10.647	3,16	69.554	17,68	73.782	21,18
Creditors	12,92	26.261	5,87	24.663	6,18	24.763	7,36	28.547	7,26	25.881	7,43
Other current liabilities	15,79	25.405	5,68	22.126	5,54	26.258	7,8	45.272	11,51	38.960	11,18
TOTAL SHAREHOLDERS FUNDS AND LIABILITIES	100	447.312	100	399.078	100	336.426	100	393.351	100	348.412	100

Figure 6: Balance Sheets of Casa Tarradellas from 2011 to 2015 (data in thousands of euros)

*Since we cannot determine a specific industry for Casa Tarradellas, average competitors include Campofrío (cold meat and pizzas), El Pozo (cold meat) and Palacios (cold meat and pizzas), from which Campofrío and El Pozo are in a good situation and Palacios is facing some problems, so that the average values are as fair as possible.

	AVERAGE COMPETITORS (2015)	31/12/2015 mil EUR		31/12/2014 mil EUR		31/12/2013 mil EUR		31/12/2012 mil EUR		31/12/2011 mil EUR	
OPERATING REVENUE	100,00	861.971	100	812.596	100	765.714	100	733.965	100	693.971	100
Sales	98,81	854.687	99,15	804.910	99,05	759.209	99,15	726.902	99,04	683.678	98,52
Cost of goods sold											
Gross profit											
Other operating expenses											
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	11,13	30.199	3,50	32.345	3,98	28.231	3,69	37.339	5,09	34.460	4,97
Financial revenues	0,28	4.075	0,47	6.144	0,76	14.322	1,87	16.682	2,27	5.603	0,81
Financial Expenses	3,38	1.805	0,21	4.190	0,52	9.357	1,22	14.600	1,99	4.458	0,64
FINANCIAL P/L	-3,55	2.270	0,26	1.954	0,24	4.965	0,65	2.082	0,28	1.145	0,16
EARNINGS BEFORE TAX (EBT)	7,59	32.469	3,77	34.299	4,22	33.196	4,34	39.421	5,37	35.605	5,13
Taxation	1,72	9.277	1,08	13.322	1,64	13.309	1,74	20.197	2,75	16.854	2,43
P/L after tax	5,87	23.192	2,69	20.977	2,58	19.887	2,60	19.224	2,62	18.751	2,70
Extraordinary revenue											
Extraordinary expenses											
EXTRAORDINARY P/L											
NET PROFIT	5,87	23.192	2,69	20.977	2,58	19.887	2,60	19.224	2,62	18.751	2,70
Material costs	62,03	580.030	67,29	537.945	66,20	509.483	66,54	450.306	61,35	399.810	57,61
Cost of employees	13,17	137.583	15,96	137.614	16,94	137.048	17,90	141.714	19,31	140.533	20,25
Depreciation	2,06	16.791	1,95	16.163	1,99	16.550	2,16	14.984	2,04	17.982	2,59
Interest paid	1,95	734	0,09	799	0,10	1.220	0,16	986	0,13	1.055	0,15
									0,00		0,00
Cash flow	8,13	39.983	4,64	37.140	4,57	36.437	4,76	34.208	4,66	36.733	5,29
Added value	24,96	187.577	21,76	188.875	23,24	188.014	24,55	197.105	26,85	195.175	28,12
EBIT	11,13	30.199	3,50	32.345	3,98	28.231	3,69	37.339	5,09	34.460	4,97
EBITDA	13,39	46.990	5,45	48.508	5,97	44.781	5,85	52.323	7,13	52.442	7,56

Figure 7: Income Statement of Casa Tarradellas from 2011 to 2015 (data in thousands of euros)

	31/12/2015	31/12/2014	31/12/2013	31/12/2012	31/12/2011
PROFITABILITY, SELF-FINANCING AND GROWTH					
RETURN ON EQUITY = Net income / Equity	10,76	12,32	12,89	18,17	19,38
Rentabilidad sobre capital empleado (%) (ROI)	9,81	11,38	12,53	16,16	17,47
RETURN ON ASSETS = EBIT/ Assets	7,26	8,59	9,87	10,02	10,22
Gross Margin / Sales (%)	3,77	4,22	4,34	5,37	5,13
CASH FLOW / SALES	0,05	0,05	0,05	0,05	0,05
CASH FLOW / ASSETS	0,09	0,09	0,11	0,09	0,11
DIVIDENDS / NET EQUITY					
DIVIDENDS / NET PROFIT	13,01	13,27	12,95	11,29	9,80
DEADLINES					
Asset turnover = Sales/Assets	2,55	2,63	2,79	2,94	3,31
Interest coverage ratio = EBIT / Interest expenses	41,14	40,48	23,14	37,87	32,66
INVENTORIES DAYS = Stocks/ Daily cost of sales	29,52	27,84	21,08	24,48	31,51
Days receivable (Clients/Daily Sales)	41,00	41,00	38,00	52,00	61,00
Days payable (Suppliers/Daily cost of sales)	11,00	11,00	12,00	14,00	13,00
LIQUIDITY					
TREASURY = Debtors + Cash / Current Liabilities	0,91	1,03	1,32	0,75	0,85
LIQUIDITY = Current assets / Current liabilities	3,38	3,53	4,10	2,10	2,02
ACID TEST = Cash/ Current Liabilities	0,01	0,02	0,00	0,00	0,00
NEEDED WORKING CAPITAL = operating current assets- operating current liabilities	317192,88				
WORKING CAPITAL = Current Assets - Current Liabilities	258793,00	229254,00	191214,00	157596,00	141864,00
DEBT AND CAPITALIZATION					
INDEBTEDNESS = Liabilities / Assets	0,33	0,30	0,23	0,45	0,47
DEBT QUALITY = Current liabilities / Total Liabilities	0,75	0,75	0,78	0,81	0,84
FINANCIAL EXPENSES = Financial expenses / Sales	0,00	0,01	0,01	0,02	0,01
FINANCIAL LEVERAGE = Assets/ Equity	1,48	1,43	1,31	1,81	1,90
COST OF DEBT= Financial expenses /loans	2,47	5,59	10,73	2,64	1,40
ASSETS MANAGEMENT					
NON-CURRENT ASSETS TURNOVER = Sales / Non-current assets	10,71	10,16	9,09	7,87	10,07
CURRENT ASSETS TURNOVER = Sales / Current Assets	2,33	2,52	3,00	2,42	2,44
SALES					
SALES GROWTH = Last year's sales / Previous year sales	6,18	6,02	4,44	6,32	
Z SCORE					
Z SCORE	108,31	124,33	135,35	162,19	169,71
CA/CL	4,33	4,52	5,25	2,69	2,59
ROI	47,19	55,84	64,16	65,13	66,43
E/A	9,05	8,74	7,97	11,06	11,57
ROE	51,65	59,14	61,87	87,22	93,02

Figure 8: Casa Tarradellas' Ratios from 2011 to 2015

	CASA TARRADELLAS	CAMPOFRÍO	EL POZO	PALACIOS	AVERAGE COMPETITORS
PROFITABILITY, SELF-FINANCING AND GROWTH					
RETURN ON EQUITY = Net income / Equity	10,76	20,92	14,52	-14,96	7,81
RETURN ON INVESTMENT = EBITDA / Assets	9,81	15,36	14,30	4,35	10,96
RETURN ON ASSETS = EBIT/ Assets	7,26	7,19	8,60	-1,87	5,30
PROFIT MARGIN (%) = (Sales - cost of sales)/ Sales	3,77	15,33	5,42	-2,42	5,53
DEADLINES					
ASSET TURNOVER = Sales/Assets	2,55	0,76	2,58	0,91	1,70
INTEREST COVERAGE RATIO	2,55	5,18	50,79	0,72	14,81
INVENTORIES DAYS = Stocks/ Daily cost of sales	29,52	5,39	6,22	18,10	14,81
Days receivable (Clients/Daily Sales)	41,00	37,00	47,00	45,00	42,50
Days payable (Suppliers/Daily cost of sales)	11,00	131,00	17,00	28,00	46,75
LIQUIDITY					
TREASURY = Debtors + Cash / Current Liabilities	3,38	0,87	1,21	-1,31	1,69
LIQUIDITY = Current assets / Current liabilities	3,11	0,65	0,55	-1,05	1,34
ACID TEST = Cash/ Current Liabilities	0,01	0,35	0,01	0,65	0,25
WORKING CAPITAL = Current Assets - Current Liabilities	258793,00	-90903,00	49427114,00	16505,00	12402877,25
DEBT AND CAPITALIZATION					
INDEBTEDNESS = Liabilities / Assets	0,33	0,67	0,39	0,87	0,57
DEBT QUALITY = Current liabilities / Total Liabilities	0,75	0,58	0,89	0,17	0,60
FINANCIAL EXPENSES = Financial expenses / Sales	0,00	0,01	0,00	0,08	0,02
FINANCIAL LEVERAGE = Assets/ Equity	1,48	2,96	1,64	7,98	3,52
ASSETS MANAGEMENT					
NON-CURRENT ASSETS TURNOVER = Sales / Non-current assets	10,71	2,84	3,03	1,01	4,40
CURRENT ASSETS TURNOVER = Sales / Current Assets	2,33	2,04	3,46	3,21	2,76
SALES					
SALES GROWTH = Last year's sales / Previous year sales	0,06	0,01	0,08	0,07	0,05
Z UPF	4,87	2,97	1,41	-2,34	1,73

Figure 9: Industry Ratios 2015

	2015	2014
A) CASH FLOWS FROM OPERATING ACTIVITIES		
1) EBT	32469	34299
2) Adjustments	14437	14104
(+) Amortization of fixed assets	16791	16163
(+/-) Depreciation	-2441	3408
(-) Allocation of grants	-53	-111
(-) Financial income	-2090	-2798
(+) Financial expenses	734	799
(+/-) Other income/expense	5091	-3357
3) Change in current capital	5497	12216
(+/-) Inventory	-6	7.123
(+/-) Debtors and other accounts receivable	-6785	-10034
(+/-) Other current assets	-28	32
(+/-) Creditors and other accounts payable	4902	985
(+/-) Other current liabilities	0	0
(+/-) Other non-current assets and liabilities	7414	14110
4) Other cash flows from operating activities	-7005	-13885
(-) Interest Payment	-746	-798
(+) Interest revenue	2108	2798
(-) Income tax payment / (+) Income tax revenue	-8412	-15903
(+/-) Other payments and revenues	45	18
5) Cash flows from operating activities (1+2+3+4)	45398	46734
B) CASH FLOW FROM INVESTING ACTIVITIES		
6) Payment for investments (-)	-75565	-78297
Group companies and associates	-47836	-60.746
Intangible fixed assets	-637	-262
Tangible fixed assets	-24582	-17285
Other assets	2510	-4
7) Divestments costs (+)	15515	325
8) Cash flows from investing activities (6+7)	-60050	-77972

C) CASH FLOW FROM FINANCING ACTIVITIES	2015	2014
9) Receipts and payments for equity instruments	-	-
10) Receipts and payments for instruments of financial liabilities	13204	33018
a. Issue	57088	43511
Debts with credit institutions (+)	56963	43207
Other debts (+)	125	304
b. Repayment and amortization of	-43884	-10493
Debt with credit institutions (-)	-43778	-10375
Other debts (-)	-106	-118
11) Dividend payments and remuneration of other instruments	-	-
12) Cash flows from financing activities (9+10+11)	13204	33118
E) INCREASE / DECREASE OF CASH AND CASH EQUIVALENTS (5+8+12)	-1448	1880
Cash and cash equivalents at the beginning of the year	2004	124
Cash and cash equivalents at the end of the year	556	2004

Figure 10: Cash Flow Statement 2014-2015