

UDC 41

**THE USE OF FINANCIAL RATIO ANALYSIS TO
MEASURE SAMSUNG GROUP PROFITABILITY FOR
2019–2021****ИСПОЛЬЗОВАНИЕ ФИНАНСОВОГО
КОЭФФИЦИЕНТНОГО АНАЛИЗА ДЛЯ ОПРЕДЕЛЕНИЯ
УРОВНЯ ПРИБЫЛЬНОСТИ ГРУППЫ САМСУНГ ЗА
2019–2021 ГГ.****JiangYu***Vitebsk State Technological University, Belarus**e-mail: kafeconom@bk.ru***Цзян Юй***Витебский государственный технологический университет, Республика Беларусь*

Keywords: financial ratio analysis, profitability, profit, income, ratios, financial statements.

Ключевые слова: финансовый коэффициентный анализ, прибыльность, прибыль, коэффициенты, финансовые отчеты.

Abstract. In order to illustrate the corporation operating results, and forecast the future profits, to analyze and evaluate the company's business activities and the company's current and historical financial position they use the financial ratios. Based on the financial statements information for 2019–2021, calculated ratios confirmed Samsung Group has strong profitability, strong sustainable development ability and good operating conditions.

Аннотация. Для характеристики операционных результатов корпорации, прогнозирования будущей прибыли, исследования и оценки бизнес-активности и прошлого и текущего финансового состояния используются финансовые коэффициенты. Рассчитанные на основе данных финансовой отчетности за 2019–2021 гг., выбранные финансовые коэффициенты подтвердили устойчивую прибыльность Группы Самсунг, устойчивую способность к развитию и хорошие условия для операционной деятельности.

Financial analysis is a complex work. In order to ensure that the analysis process is rigorous and effective, the financial analysis must go in a reasonable way. For the analysis of corporation profitability, first of all, we should analyze several ratios of enterprise profitability.

We chose five ratios to analyze Samsung profitability as follows:

- (1) Gross profit margin
- (2) Operating profit margin
- (3) Net interest rate on sales
- (4) Net interest rate on total assets
- (5) Return on equity

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The calculation formulas of mentioned above corporate profitability ratios are as follows:

$$\text{Gross margin} = \frac{(\text{sales revenue} - \text{Cost of sales})}{\text{sales revenue}} * 100\% \quad (1)$$

$$\text{Operating profit margin} = \frac{\text{Operating profit}}{\text{operating receipt}} * 100\% \quad (2)$$

$$\text{Net Profit Margin on Sales} = \frac{\text{Net profit}}{\text{sales revenue}} * 100\% \quad (3)$$

$$\text{Net interest rate of total assets} = \frac{\text{Net margin}}{\text{Average total assets}} * 100\% \quad (4)$$

$$\text{Return on equity} = \frac{\text{Profit after income tax}}{\text{Owner's equity}} * 100\% \quad (5)$$

We used the financial analysis method to analyze the time series of the relevant data from the Samsung Consolidated statements of Profit or Loss for the years ended December 31, 2019–2021. Specific is to use data of two or consecutive periods of Financial statements to calculate the same indicators to determine the direction, amount and range; to illustrate the corporation operating results; and forecast the future through the financial ratios; to analyze and evaluate the company's business activities and the company's current and historical position. We have found out the data from the financial statements of the current year, and calculated the data based on the above formulas.

In Table 1 we have presented the results of analysis conducted.

Table 1 – Samsung Group (Samsung) Profitability Data Analysis for 2019–2021

Ratios	2019	2020	2021
Gross profit margin	36.09 %	38.98 %	40.48 %
Operating profit margin	12.05 %	15.19 %	18.46 %
Net interest rate on sales	9.43 %	11.15 %	14.27 %
Net interest rate on total assets	6.28 %	7.22 %	9.91 %
Return on equity	8.27 %	9.57 %	13.08 %

Based on the above information, Samsung Group has strong profitability, strong sustainable development ability and good operating conditions.

References

1. CONSOLIDATED FINANCIAL STATEMENTS OF SAMSUNG ELECTRONICS CO., LTD. AND ITS SUBSIDIARIES for 2019–2021. Available at: <https://www.samsung.com/global/ir/financial-information/audited-financial-statements/>.