Qualitative Assessment (maximum 50 points)

Question No.	Question	Weight (%)
1.	What is your role in the Company's management? What activities are you responsible for and how big a team do you manage (number of direct subordinates, their positions if possible, total number of employees in departments that you are responsible for)? What are your most important KPIs? If your Company is a part of a larger group, which of the activities for which you are responsible are directed from the Group's headquarters and where do you see the greatest room for your own input?	**20**
2.	What is your responsibility regarding the acquisition of funds for your Company? Are these sources internal (e.g. provided by the parent company or using retained earnings) or external (acquired from the financial and capital markets)?	**20**
3.	Which of your initiatives, projects or decisions from the preceding period (1-3 years) do you consider the most important in terms of benefits for your Company? Can you quantify the outcomes of these initiatives/projects?	**20**
4.	Which legislative changes would increase the overall efficiency of your work? What changes would improve the business environment in Croatia and boost economic growth in Croatia, as well as of the industry in which you operate?	**20**
5.	What do you see as the biggest challenges of the coming years and how do you plan to deal with them (regulation, technological changes, co-creation of corporate strategy etc.)?	**20**

Quantitative Assessment (maximum 50 points)				
Indicator		Range of Values		Points
		From	To	
EBITDA margin - Note 1	Year-on-year decrease/increase (2014-2015)	Negative	0%	2
		0.01%	14.99%	4
		15%	29.99%	6
		30%	44.99%	8
		50.00%	More than 50.00%	10
	Absolute level (2015)	Negative	0,00%	1
		0.01%	9.99%	2
		10%	19.99%	3
		20%	29.99%	4
		30.00%	More than 30.00%	5
Asset turnover ratio - Note 2	Year-on-year change (2014-2015)	Negative	0%	1
		0.01%	9.99%	2
		10.00%	19.99%	3
		20%	29.99%	4
		30.00%	More than 30.00%	5
	Absolute level (2015)	0	1,49	1
		1,5	1,99	2
		2	2,49	3
		2,5	2,99	4
		3 or more		5
Debt to equity ratio - Note 3	Year-on-year change (2014-2015)	Negative change >15%		1
		Negative change 5%-15%		2
		Change between -5% and +5%		3
		Positive change 5%-15%		4
		Positive change >15		5
	Absolute level (2015)	0.8 or more		1
		0.79	0.6	2
		0.59	0.4	3
		0.39	0.2	4
		Under 0.2		5
Current ratio - Note 4	Year-on-year change (2014-2015)	Lower than -20.01%		2
		-20.00%	0.00%	4
		0.01%	20.00%	6
		20.01%	40.00%	8
		More than 40%		10
	Absolute level (2015)	Lower than 0.5		1
		0.5	0.8	2
		0.81	1,15	3
		1,16	1,49	4
		1,5 or more		5

Notes:

1) EBITDA margin

Definition:

The EBITDA margin formula divides the basic earnings before interest, taxes, depreciation, and amortization equation by the total revenues of the company,

thus, calculating the earnings left over after all operating expenses (excluding interest, taxes, dep, and amort) are paid as a percentage of total revenue.

The EBITDA margin provides more insight than a net income margin because the EBITDA margin minimizes the non-operating effects that are unique to every company.

This gives investors a way to focus on operating profitability as a singular measure of performance.

Formula:

EBITDA Margin

$$\text{EBITDA Margin} = \frac{\text{EBITDA}}{\text{Total Revenues}}$$

2) **Asset turnover ratio**

Definition:

The asset turnover ratio is an efficiency ratio that measures a company's ability to generate sales from its assets by comparing net sales with average total assets

The total asset turnover ratio calculates net sales as a percentage of assets to show how many sales are generated from each cash unit of company assets

Higher turnover ratios mean the company is using its assets more efficiently. Lower ratios mean that the company isn't using its assets efficiently and most likely have management or production problems.

The asset turnover ratio is calculated by dividing net sales by average total assets.

Net sales used in this formula usually equal revenue for the period.

Average total assets are usually calculated by adding the beginning and ending total asset balances together and dividing by two

Formula:

Asset Turnover Ratio

$$\text{Asset Turnover Ratio} = \frac{\text{Net Sales}}{\text{AverageTotal Assets}}$$

3) **Debt to equity ratio**

Definition:

The debt to equity ratio is a financial, liquidity ratio that compares a company's total debt to total equity.

The debt to equity ratio shows the percentage of company financing that comes from creditors and investors. A higher debt to equity ratio indicates that more creditor financing (bank loans) is used than investor financing (shareholders).

The debt to equity ratio is calculated by dividing total liabilities by total equity

A lower debt to equity ratio usually implies a more financially stable business. Companies with a higher debt to equity ratio are considered more risky to creditors and investors than companies with a lower ratio.

Formula:

Debt to Equity Ratio

$$\text{Debt to Equity Ratio} = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

4) **Current ratio**

Definition:

The current ratio is a liquidity and efficiency ratio that measures a firm's ability to pay off its short-term liabilities with its current assets. The current ratio is an important measure of liquidity because short-term liabilities are due within the next year

The current ratio is calculated by dividing current assets by current liabilities

A higher current ratio is usually more favorable than a lower current ratio because it shows the company can more easily make current debt payments

Formula:

Current Ratio

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$