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Analysis of the Company's Financial Performance Under the Risks of (COVID 19) a Case Study in Industrial Companies

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Abstract. The study aims to analyze the financial performance of industrial companies in the Iraqi environment in light of their exposure to the risks of Covid 19 and to identify the most important financial effects that resulted from those risks from the side of the financial position and business results. To achieve the goal of the study, the researchers reviewed the theoretical literature and previous studies related to the subject of the study. It also adopted the applied and analytical approach to determine the extent to which companies are affected by the risks of Covid 19 by relying on the financial statements of Al-Mansour Pharmaceutical Company and Al-Warith Industrial Company. The study concluded that the risks of Covid 19 greatly and unexpectedly affected the business environment, especially companies in the industrial sector, where their impact was positive on the one hand and a negative impact on the other, and this is due to the nature of the products in the market, so medical and preventive products were the most popular by people during that period, the pharmaceutical companies achieved high profits, while other industrial products were subject to stagnation and damage, and in the end, large financial losses. The researchers recommended that companies move to a policy of facing crises and unexpected risks as one of the main objectives of the company in order to maintain its position in the market.

Keywords. Covid-19 risks, financial performance, financial analysis, financial data analysis, industrial companies.

INTRODUCTION

In the last three years, the world has witnessed extraordinary imbalances as a result of the emergence of the risks of Covid 19, which have greatly and unexpectedly affected all health and economic sectors. Therefore, these risks have become the focus of international health and economic organizations, as a result of their high and frightening effects on individuals and companies, which have caused great human, financial and material losses in various countries. These risks that affected the financial performance of companies are considered important financial information for investment decision-makers. And credit and other economic decisions that require analysis and disclosure within the financial statements of companies, so this study came with the purpose of analyzing the financial performance of companies and knowing the financial effects in light of their exposure to the risks of Covid 19 and reaching accurate results that serve the research sample.

STUDY METHODOLOGY

The Study Problem

After the emergence of the Covid 19 virus in certain countries and its rapid spread in all countries of the world and taking all precautionary measures to reduce it such as quarantine, stopping all trade exchanges between countries, and restricting the work of international and local companies, the virus has become one of the most important global risks that affected the global economy as a whole and caused In the occurrence of large losses for companies

due to the high effects that were inflicted on them, and therefore the question of the research problem is focused on: What are the financial effects that affected industrial companies in light of the risks of Covid 19?

The Study Importance

The importance of the study lies in studying and analyzing the financial performance of industrial companies, knowing the most important financial effects resulting from the risks of Covid 19, reaching results about the effects of those risks for companies in the industrial business environment, and providing the necessary recommendations aimed at providing the most important treatments to reduce the effects of these risks.

The Study Objectives

The study aims to identify the risks of Covid 19 that hit the global economy and significantly affected various sectors and analyze the financial performance of companies in light of those risks to find out the most important financial effects that industrial companies were exposed to during that period with the aim of developing solutions to address those effects.

The Study Hypothesis

In light of the problem, questions and objectives of the study, the hypothesis can be formulated as follows:

The analysis of financial performance according to vertical and horizontal analysis and ratio analysis in light of exposure to the risks of Covid 19 leads to reaching the current and future financial effects of industrial companies and thus providing financial information that serves the decision-making process.

The Study Approach

The researchers relied on the deductive approach in the theoretical aspect of collecting data and information by referring to the sources and books that dealt with the subject of the study, and the applied analytical approach was used in the practical aspect for the purpose of analyzing information scientifically through financial analysis to reach the results and recommendations

The Most Important Previous Studies

This section briefly presents the contents and results of some previous studies that the researcher was able to gather and validate, in different aspects and domains related to the research topic, that had a significant impact on enriching his theoretical and practical base.

First. (Al-Samadouni and Mohamed Abdel Sayed - 2021) Understanding the impact of the COVID-19 pandemic on the level of voluntary disclosures in financial reporting through a field study in a banking environment.

The aim of the study was to examine the impact of the outbreak of the novel coronavirus (COVID-19) on the level of voluntary disclosure in financial reporting.

The study concludes that COVID-19 has had a positive impact on the level of voluntary disclosure of financial reporting in the banking environment, with the spread of COVID-19 having a positive impact on disclosure at both levels: related to social responsibility , non-financial risk information, online), the study recommends that a company's integrated report should include a report providing detailed information on the COVID-19 crisis, how it

is being managed, and how the crisis has affected the company. The crisis covers economic, social and technological aspects and The risks it faces help simplify decision-making for users of financial reporting.

Second. (Kawthar A. Alsalem & Sultan A. Albogami – 2022) The Impact of E-Commerce on the Financial Conditions of Saudi Listed Companies Suffering from COVID-19 - STC Company Field Study -

The study aims to determine the negative or positive impact of e-commerce activities on the financial reporting of Saudi financial companies in the context of exposure to Covid-19 risks by focusing on the balance sheet and income statement of the telecommunications industry. The industry is concentrated in the Kingdom of Saudi Arabia

The study concluded that there are effects of e-commerce activities on the financial statements of the joint stock company: Saudi Telecom in light of its exposure to the risks of Covid-19, and that the effects differ in terms of positive or negative from one element to another.

The study recommends that companies should pay attention to electronic commerce because it is an alternative to traditional commerce in the event of facing epidemics and risks and keeping pace with technological developments that the world is witnessing.

Contribution to the Current Research

The current research aims to identify the risks of Covid 19 and know the effects of those risks by focusing on: Study and analysis of the risks of Covid 19 and its impact on the sectors of the economy and the aspect of sustainability.

Identify the most important financial effects that resulted from those risks on the part of the financial position and business results through the use of the three financial analysis tools represented by vertical and horizontal analysis and ratio analysis.

Analysis of the financial performance of industrial companies in light of their exposure to the risks of Covid 19 and for the period from 2019-2021.

The research sample was represented by productive industrial companies and health companies to find out which of them were significantly affected in light of the total urban procedures as a result of the risks of Covid 19.

The financial analysis measured the financial effects of the research sample companies during their exposure to the risks of Covid 19 through the change in the items of the income statement and balance sheet.

THEORETICAL MATERIALS

What are the Risks of Covid19?

In late December 2019, COVID-19 was the cause of a cluster of unexplained pneumonia cases at the South China Seafood Market in Wuhan, where the disease (COVID-19) China spread, followed by bloody outbreaks in countries around the world with increasing case numbers, and the World Health Organization's International Emergency Committee declared the virus outbreak a public health emergency. It was an emergency of international importance and was described in late January 2020 as A fast-spreading, elusive pandemic is taking a growing toll of deaths and injuries in countries around the world.. [1]

Since COVID-19 was first reported, the infection has spread to more than (81,552) cases in China and a rising number of cases worldwide (1,400,000), prompting the World Health Organization (WHO) to declare a public health emergency in countries around the world. [2]

What is the Impact of COVID-19 Risks?

Perhaps one of the most important of these measures to limit spread is contact avoidance, direct contact and quarantine requirements, including the almost complete cessation of commercial travel and aviation. COVID-19 affects not only humans, but the entire global economic system, as the restrictions imposed by the virus have led many to fear an economic crisis in the form of travel restrictions, domestic quarantines and reduced workforces in production plants. .The industrialization of commodities, and the increase in the need for food commodities as a result of the prevailing state of panic due to the outbreak of these risks. [3]

Impact of Covid-19 Risks on Economic Sectors

These risks have two main effects on the economy: on the one hand, they affect the supply of goods and services due to the disruption of value chains at the national and international level; on the other hand, they affect the supply of goods and services due to the disruption of value chains at the national and international level demand. Loss of income and increased insecurity. For companies, this means lost sales, reduced investment and capacity, layoffs and the risk of eventual payment arrears. In addition, rising liquidity needs and risk aversion have put enormous pressure on financial markets, with major implications for asset pricing and leverage. [4]

COVID-19 can affect the global economy in three main ways: The first impact is on the supply side, as factory closures reduce the overall supply of goods and services, reduce production or raise prices. In addition, the impact of these risks will result in a small to large drop in demand as supply-side disruptions close factories and jobs, consumers cut back on spending, GDP falls, unemployment rises, and price increases slow. Shares have rallied and so has the stock market as investors borrow money at near-zero interest rates and find few attractive investment opportunities. [5]

The risks of COVID-19 were an unprecedented event that forced a third of the world's population to experience some form of closure that affected all financial stock markets with instability, buying and selling and lack of liquidity.

Due to precautionary measures and restrictions on movement and travel, this number has dropped significantly, leading to a decline in the labor market and demand for labor from investors, a state of caution and anticipation that prevents them from taking decisions on new projects and investments. [6]

The outbreak of the Corona risks caused major changes in the stock market, as companies bought and sold their shares. It can have a negative impact on many investments and spending in pensions as well as savings accounts that can destroy the growth of the economy. In response, the countries' central banks have lowered interest rates, which may lower the cost of borrowing and thus encourage spending so that the economy can strengthen. [7]

Impact of COVID-19 on the Sustainable Development Goals

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs) with the goal of improving life and the natural world by 2030 and engaging every country in the world. To be successful, the foundation of the SDGs was based on two key assumptions: globalization and sustainable economic growth. However, this premise has been severely hampered by COVID-19 due to several factors. Indeed, COVID-19 highlighted the fact that the SDGs as currently designed are not resistant to the risks posed by the epidemic. [8].

Prior to COVID-19, progress across the SDGs was slow, two-thirds of the goals would not be achieved by 2030 and some might be counterproductive because they are either threatened by this pandemic or are not in a position to mitigate the associated impacts. [9]

What is the Concept of Financial Performance?

The process of analyzing financial performance represents a step towards the company's success in achieving its goals and its ability to achieve those goals by evaluating its current and future status, because through it these units are determined where they stand in terms of achieving the goals they seek to achieve. The financial performance is the procedures that the company takes to ensure Ensure that the objectives set by the management and planned are well implemented. [10]

What Is Financial Data Analysis

Financial statement analysis refers to the process of establishing meaningful relationships among financial statement items for the purpose of identifying financial and operational strengths and weaknesses. The term financial statement analysis can be defined as the process of evaluating a company's performance based on the information contained in the balance sheet, income statement, and cash flow statement items, which allows the company to make the right decisions, i.e., decisions about future business operations.. [11]

What are the Types of Financial Analysis?

Financial data analysis can be classified into three main types, namely horizontal analysis, vertical analysis and ratio analysis, which are explained below:

Horizontal Analysis

In horizontal analysis, financial statements are compared over a period of years, and companies make decisions based on these comparisons.. Typically, the current year's figures are compared to the base year (base year is set at 100) and analyzed to determine how the financial information has changed from year to year. This analysis provides information on the source of the use of corporate funds in addition to the transition from one period to another, the purpose of which is to determine the increase or decrease that has occurred.. [12]

Vertical Analysis

In vertical analysis, the financial statements measure the relationship between the quantities of various items in the financial statements for a given period.

This method is also referred to as static analysis because it helps determine the relationship between the various elements included in the financial statements. Vertical analysis is a method in which each item in the financial statements is expressed as a percentage of the basic amount. [13]

Vertical analysis is a tool that consists of studying a single financial statement in which each item is expressed as a percentage of the whole. The use of vertical analysis is particularly useful in analyzing income statement data, such as cost of sales as a percentage of revenue. Comparisons of current assets to current liabilities and liabilities to equity are for a given period. [14]

Financial Indicators

It is the responsibility of companies to protect depositors' money and achieve the objectives of stakeholders from shareholders, creditors and others, which requires these companies to use a number of financial performance indicators that reflect the basic aspects of their work. These indicators are usually expressed in financial ratios that reflect the impact of the company's dealings, which are used in evaluating its performance and analyzing its financial position and profits. Therefore, financial indicators are considered important tools for evaluating the company's performance and its ability to meet current and future obligations. [15]

Liquidity and Risk Indicators

Liquidity ratios are one of the most important financial ratios that show the company's ability to pay short-term obligations. The liquidity ratio can be measured using the current ratio (CR) represented by current assets divided by current liabilities. A high current ratio can indicate an excess of cash which can mean two things, the amount of profits obtained or the effect of not using the company's financial resources effectively for investment. If the company is able to properly finance and pay off its short-term obligations, the likelihood that the company will be exposed to financial risk will be less. [16]

Profitability and Risk Indicators

They are ratios that measure a company's ability to generate net income at a given level of sales, assets and capital. Profitability ratios can measure financial distress because by demonstrating the effective use of the company's assets it will reduce the costs incurred by the company, will have savings and will have sufficient funds to run its business. With sufficient funds, companies will be less likely to be exposed to financial risks in the future. [17]

Return on equity (ROE), along with return on assets (ROA), is one of the all-time favorite and perhaps the most widely used metrics for measuring companies' financial performance, and return on equity is perhaps the most important ratio an investor should consider.

The return on equity measures the extent of the company's ability to achieve returns through investments and its efficiency in attracting investments. A rise in this indicator indicates a high return and a low risk, while its low indicates the company's failure to manage investments. It is calculated through net income divided by shareholders' equity. [18]

As for the return on assets, it measures the relationship between the company's assets and profits, i.e. the efficiency and effectiveness of the company in using assets to generate profits. It has a negative impact, and it is calculated by dividing the net profit by the total assets. [19]

Solvency and Risk Indicators

Solvency ratios are ratios that measure how well a company's assets are financed with debt. The solvency ratio can measure financial distress using the debt-to-asset ratio (DAR). This ratio is used to measure the extent to which a company relies on debt to finance its assets. The debt-to-asset ratio can show the ratio of a company's debt to the total assets owned. [20]

APPLIED STUDY

Overview of the Study Sample

Al-Warith Industrial Company:

The company aims to encourage citizens' savings and invest them in mixed sector activities, and stimulate industrial development, in accordance with national development plans in the fields of soft and mineral drinks, and using modern technology, by purchasing industrial projects for companies, and by working on developing the soft and mineral beverage industries and filling them with modern scientific methods.

Al-Mansour Pharmaceutical Industrial Company:

The company aims to contribute to the development of the industrial movement in Iraq, and to the promotion and development of the national economy in the pharmaceutical field.

Analysis of the Financial Performance of Al-Warith Industrial Company

TABLE 1. The Financial Statements of Al-Warith Industrial Company For the period 2019 – 2021
Source: Prepared by researchers based on company data.

Financial Period	Sales	Net Profit	Shareholders' equity	Assets
Base year – 2018	410,000,000	190,000,000	500,000,000	720,000,000
First Quarter - 2019	450,500,000	230,500,000	550,000,000	790,000,000
Second Quarter - 2019	475,000,000	245,000,000	570,000,000	880,000,000
Third Quarter - 2019	510,200,000	230,000,000	560,000,000	820,000,000
First Quarter - 2020	450,000,000	170,000,000	500,000,000	770,000,000
Second Quarter - 2020	240,000,000	105,000,000	475,000,000	700,000,000
Third Quarter - 2020	279,000,000	100,000,000	490,000,000	750,000,000
First Quarter - 2021	250,000,000	112,000,000	480,000,000	750,000,000
Second Quarter - 2021	370,000,000	175,000,000	510,000,000	785,000,000
Third Quarter - 2021	400,000,000	220,000,000	540,000,000	910,000,000

According to the company's data presented in Table No. (1), we initially notice a decrease during the period from the last quarter of 2019 to the third and last quarter of 2020, and then began a slight increase in the first quarter of 2021 in sales, which resulted in a decrease in profits, as well There was a decrease in both the value of assets and shareholders' equity during the period of declining sales and profits, and the reason for this decrease was the presence of Covid-19 risks that all economic sectors in all countries were exposed to, which resulted in severe

restrictions such as the ban, the suspension of trade exchange operations and the closure of most companies and markets.

Table No. (2) presents the results of the financial analysis of Al-Warith Company for changes, sales ratios and profitability indicators.

TABLE 2. Analysis of financial performance using horizontal analysis and profitability indicators for Al-Warath Industrial Company

Source: Prepared by researchers based on company data.

Financial Period	Sales Change	Sales %	ROE	ROA
Q1 – 2019	40,500,000	0.09	0.42	0.29
Q2 – 2019	24,500,000	0.05	0.43	0.28
Q3 – 2019	-34,800,000	-0.08	0.41	0.38
Q1 – 2020	-60,200,000	-0.13	0.34	0.22
Q2 – 2020	81,000,000	0.29	0.22	0.15
Q3 – 2020	-39,000,000	-0.16	0.20	0.13
Q1 – 2021	10,000,000	0.04	0.23	0.14
Q2 – 2021	120,000,000	0.32	0.34	0.22
Q3 – 2021	30,000,000	0.08	0.41	0.24

The results of Table No. (2) can be explained that the change in sales has decreased during the companies' exposure to the risks of Covid (19) during the period from the third quarter of 2019 until the last quarter of 2020 and this period was the effects of very high risks that caused the loss of many companies Also, the risks of Covid (19) during this period have caused the closure of many companies due to its severe impact on all economic sectors, especially industrial, investment and tourism, where the largest percentage of decrease in sales was (-0.16) during the third quarter of 2020, which He explains that the risks of Covid (19) were more affected by the company during this period.

We also note the results of the analysis that the rate of return on equity and the rate of return on assets were high during the period of economic stability, as the company achieved the highest rates during the year (2019), while returns gradually decreased during the year (2020) due to the company being affected by risks and economic fluctuations in the business environment. The local and global business as a result of the spread of Covid-19 risks and the precautionary measures imposed on all sectors to limit the spread of risks, while the company began to achieve positive returns that rose during the year (2021) due to the confinement of the Corona virus during this period and the reduction of restrictions and procedures on all sectors.

Table No. (3) presents Al-Warith company data for the items of the statement of financial position and the item of salaries and wages for the period 2018-2021.

TABLE 3. Data of some items in the statement of financial position and wages item for Al-Wareth Company for the period 2018-2021

Source: Prepared by researchers based on company data.

Financial Period	Current Assets	Current Liabilities	Inventory	Salaries
Base year - 2018	910,000,000	590,000,000	150,000,000	72,500,000
First Quarter - 2019	970,000,000	540,000,000	170,000,000	80,400,000
Second Quarter - 2019	990,000,000	610,000,000	140,000,000	85,200,000
Third Quarter - 2019	900,000,000	580,000,000	130,000,000	87,800,000
First Quarter - 2020	750,000,000	570,000,000	160,000,000	79,700,000
Second Quarter - 2020	670,000,000	560,000,000	190,000,000	75,600,000
Third Quarter - 2020	510,000,000	525,000,000	190,000,000	53,650,000
First Quarter - 2021	620,000,000	540,000,000	190,000,000	51,100,000
Second Quarter - 2021	630,000,000	575,000,000	150,000,000	80,000,000
Third Quarter - 2021	700,000,000	600,000,000	110,000,000	86,970,000

Table No. (4) shows the results of the financial analysis of the Al-Warath company regarding liquidity ratios, changes in inventory ratios and wages during the Covid-19 risk period.

TABLE 4. Analyzing The Company's Financial Performance By Calculating Liquidity Ratios And Financial Changes

Source: Prepared by researchers based on company data.

Financial Period	Liquidity Ratio	Inventory Change	Inventory %	Salaries Change	Salaries %
Q1 - 2019	1.8	20,000,000	0.12	7,900,000	0.1
Q2 - 2019	1.6	-30,000,000	-0.21	4,800,000	0.06
Q3 - 2019	1.6	-10,000,000	-0.08	2,600,000	0.03
Q1 - 2020	1.3	30,000,000	0.19	-8,100,000	-0.1
Q2 - 2020	1.2	30,000,000	0.16	-4,100,000	-0.05
Q3 - 2020	1.1	0	0	-21,950,000	-0.03
Q1 - 2021	1.2	0	0	-2,550,000	-0.05
Q2 - 2021	1.1	-40,000,000	-0.27	28,900,000	0.36
Q3 - 2021	1.2	-40,000,000	-0.36	6,970,000	0.08

We note through the results of the analysis presented in the table above that the current assets began to decline from the third quarter of the year 2019 and the sharpness of the decline was in the third quarter of the year 2020 due to the company being affected by the risks of Covid (19). Covid (19) We also note that the lowest liquidity ratio reached in the third quarter of 2020 at a degree of (0.97), which indicates the company's inability to pay its debts during this period. We also note from the table that the company's stock has increased unexpectedly during the last decade of 2020. With a total amount of (150,000,000) compared to other years, which can be explained by the fact that the company kept the stock without selling it during this period due to the compulsory urban procedures on the economic sectors and the suspension of commercial exchanges internally and externally, as well as salaries and

wages decreased significantly during this period as a result of the company's policy of laying off many of workers or their wages reduced due to the significant and unpredictable effects of COVID-19 risks.

Analysis Of The Financial Performance Of Al-Mansour Industrial Company:

Table No. (5) displays the financial statements of Al-Mansour Pharmaceutical Industrial Company for sales, the profits it achieved, and some items in the statement of financial position for the period from 2018-2021.

TABLE 5. The Financial Statements Of Al-Mansour Industrial Company For The Period 2019 – 2021

Source: Prepared by researchers based on company data.

Financial Period	Sales	Net Profit	Shareholders' equity	Assets
Base year - 2018	750,000,000	150,000,000	700,000,000	1,200,000,000
First Quarter - 2019	860,000,000	200,000,000	730,000,000	1,250,000,000
Second Quarter - 2019	880,000,000	210,000,000	750,000,000	1,270,000,000
Third Quarter - 2019	910,000,000	250,000,000	760,000,000	1,280,000,000
First Quarter - 2020	1,050,000,000	320,000,000	820,000,000	1,300,000,000
Second Quarter - 2020	1,195,000,000	360,000,000	900,000,000	1,330,000,000
Third Quarter - 2020	1,250,000,000	420,000,000	910,000,000	1,400,000,000
First Quarter - 2021	1,500,000,000	450,000,000	950,000,000	1,500,000,000
Second Quarter - 2021	1,440,000,000	410,000,000	950,000,000	1,510,000,000
Third Quarter - 2021	1,400,000,000	390,000,000	900,000,000	1,510,000,000

According to the company's data above, and initially, we can note that the company is achieving good financial performance through high sales and annual profits, especially during the period of exposure to the risks of Covid 19.

TABLE 6. Financial Performance Analysis Using Horizontal Analysis And Profitability Indicators For Al-Mansour Pharmaceutical Company

Source: Prepared by researchers based on company data.

Financial Period	Sales Change	Sales %	ROE	ROA
Q1 - 2019	110,000,000	0.13	0.27	0.16
Q2 - 2019	20,000,000	0.02	0.28	0.17
Q3 - 2019	30,000,000	0.03	0.33	0.20
Q1 - 2020	140,000,000	0.13	0.39	0.25
Q2 - 2020	145,000,000	0.12	0.40	0.27
Q3 - 2020	55,000,000	0.04	0.46	0.30
Q1 - 2021	250,000,000	0.17	0.47	0.30
Q2 - 2021	-60,000,000	-0.04	0.43	0.27
Q3 - 2021	-40,000,000	-0.03	0.43	0.26

The results of Table No. (6) can be analyzed that Al-Mansour Pharmaceutical Company achieved high sales as a result of the company's sustainable policy towards development and progress, as it achieved the highest development and change in sales during the first quarter of 2021 at an amount of (250,000,000). We can also note that the highest percentage of sales achieved by the company is (0.17) for the same period.

As well as the results of the return on equity, which explain that this return can be sustainable and increasing when the company follows the policy of how to optimally reinvest its profits, in order to remain in an atmosphere of

competition. It is correct regarding capital reinvestment in non-productive assets, as the highest return was achieved during the first quarter of 2021 at a rate of (0.47), while the lowest rate was (0.27) during the first quarter of 2019.

The results of the return on assets for Al-Mansour Pharmaceutical Company also showed that the highest rate achieved by the company was (0.30) during the first quarter of 2021, while the lowest rate was (0.16) during the first quarter of 2019. The high rate could indicate the company's ability to achieve quality High in the exploitation of its economic resources, but the opposite indicates the management of the company according to bad policy and decisions.

We note that Al-Mansour Pharmaceutical Company achieved the highest sales and profits during the first quarter of 2021, and the returns were also high for the same period, despite the severity of the risks of Covid 19 during this period, which caused many losses and undesirable effects at the level of global sectors, but the main reason for the company's success During the Covid-19 risk period, due to the nature of the company's activity, the products of all the pharmaceutical company were in high demand, whether at the individual or the state level, to reduce and limit the spread of this type of risk.

Most of the countries of the world had taken precautionary measures to reduce the spread of these risks, including closing all companies except the health sector, stopping trade exchanges between countries, banning roaming, stopping air and land flights, closing tourist places, all of these measures and others had a high negative impact on the performance of industrial companies And non-industrial companies, except for the health sector companies, which exploited the presence of Covid-19 risks and achieved high profits during this period.

TABLE 7. Data Of Some Items In The Statement Of Financial Position And Wages Item For Al-Mansour Company For The Period 2018-2021

Source: Prepared by researchers based on company data.

Financial Period	Current Assets	Current Liabilities	Inventory	Salaries
Base year - 2018	1,550,000,000	200,000,000	300,000,000	105,000,000
First Quarter - 2019	1,600,000,000	250,000,000	290,000,000	106,000,000
Second Quarter - 2019	1,670,000,000	260,000,000	298,000,000	106,600,000
Third Quarter - 2019	1,690,000,000	280,000,000	295,000,000	107,100,000
First Quarter - 2020	1,710,000,000	350,000,000	250,000,000	119,000,000
Second Quarter - 2020	1,750,000,000	390,000,000	210,000,000	127,000,000
Third Quarter - 2020	1,780,000,000	430,000,000	170,000,000	135,500,000
First Quarter - 2021	1,920,000,000	470,000,000	140,000,000	141,400,000
Second Quarter - 2021	1,800,000,000	470,000,000	160,000,000	137,000,000
Third Quarter - 2021	1,750,000,000	440,000,000	175,000,000	134,500,000

TABLE 8. Analyzing The Company's Financial Performance By Calculating Liquidity Ratios And Financial Changes

Source: Prepared by researchers based on company data.

Financial Period	Liquidity Ratio	Inventory Change	Inventory %	Salaries Change	Salaries %
Q1 - 2019	6.4	-10,000,000	-0.03	1,000,000	0.009
Q2 - 2019	6.4	8,000,000	0.03	600,000	0.006
Q3 - 2019	6.1	-3,000,000	-0.01	500,000	0.005
Q1 - 2020	4.9	-45,000,000	-0.18	11,900,000	0.1
Q2 - 2020	4.5	-40,000,000	-0.19	8,000,000	0.06
Q3 - 2020	4.1	-40,000,000	-0.24	8,500,000	0.06
Q1 - 2021	4.1	-30,000,000	-0.21	5,900,000	0.04
Q2 - 2021	3.8	20,000,000	0.13	-4,400,000	-0.03
Q3 - 2021	3.9	15,000,000	0.09	-2,500,000	-0.02

The results of Table No. (8) can be analyzed that Al-Mansour Pharmaceutical Company shows high liquidity ratios during the year 2019 compared to the years 2020-2021. Not investing in profitable areas, the results show that the company during the years 2020-2021 decreased liquidity as a result of the company exploiting its liquidity during the period of the risks of Covid 19. This exploitation may be to increase production or open other medical projects due to the high demand for medical products to meet these risks

The table above also shows that the inventory item decreased during the Covid-19 risk period due to the company selling products, which made it achieve high sales and profits during that period. Thus, the demand for medical products is low.

As for the wages item, we note that Al-Mansour Company's wages began to rise from the last quarter of 2019 to the first quarter of 2021. This rise is due to the company employing additional labor as a result of the demand for medical products due to the risks of Covid 19, where it paid the highest amount of wages in the quarter The first of 2021, but soon began to decline as a result of the reduced effects of these risks, which made the company resort to reducing wages or laying off some workers.

CONCLUSION

Against the background of the global health crisis, this research sought to analyze the financial performance of industrial companies in order to determine the financial effects that industrial companies were exposed to, as the results of this research indicate that the effects of the risks of Covid 19 were negative for some companies and positive for others.

Although the risks of Covid 19 have negative effects on all economic, social and educational levels, it has achieved positive results for some companies in the business sectors, as many companies were able to achieve fantastic profits and open investment projects, especially in light of the precautionary measures taken by countries at the level of This is due to the nature of the companies' work and the quality of their products. Medical companies were the first to achieve high winds of the risks of Covid 19 due to the high demand for these companies' products by individuals and governments in order to control and combat these risks due to their frightening and unknown effects.

As for other companies in various sectors, the risks of Covid 19 affected them negatively, which made them have to close the company, lay off workers and damage stocks for companies with food products, and more than that, other companies declared bankruptcy and were unable to pay their debts, all of these effects affected the economic sector in general. in various countries of the world.

Therefore, it has become necessary for companies to be prepared to face unexpected risks by making comprehensive changes in the company's current and future policy and decisions, especially activating the role of risk management and achieving sustainability goals as one of the most important goals that ensure the success of companies and maintain their position in the business market.

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