

**„Global Consulting”  
EOOD**

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CREDIT RATING	Initial rating 2004	Update 2005	Update 2006	Update 2007	Update 2008	Update 2009
<i>Long-term rating:</i>	<b>BB+</b>	<b>BBB</b>	<b>BBB</b>	<b>BBB</b>	<b>BBB+</b>	<b>BBB+</b>
<i>Outlook :</i>	<b>Stable</b>	<b>Stable</b>	<b>Negative</b>	<b>Negative</b>	<b>Stable</b>	<b>Stable</b>
<i>Short-term rating :</i>	<b>B</b>	<b>A-3</b>	<b>A-3</b>	<b>A-3</b>	<b>A-2</b>	<b>A-2</b>

*Bulgarian Credit Rating Agency is the only Bulgarian agency, included in the list of the Financial Supervision Committee, as its ratings are acknowledged equally with those of the international agencies **Moody's, Standard & Poor's u Fitch**. In 2004 BCRA adapted corporate credit rating methodology of ICRA (An associate of Moody's Investors Service). Rating scale of BCRA coincides with that of **Standard & Poor's**.*

**BCRA maintains a long-term credit rating BBB+ (outlook: stable) and short-term credit rating A-2 assigned to „Global Consulting” Ltd. The officially adopted methodology of corporate credit rating is used ([http://www.bcra-bg.com/files/method\\_8.pdf](http://www.bcra-bg.com/files/method_8.pdf)).**

To elaborate the credit report and assign the credit rating BCRA uses information received from the rated entity, the National Statistical Institute, database of BCRA, consultants and other sources of public information.

During the past years IT Sector has continued its ascending development, but in 2008 it is reflected on the world economical crisis. The expected negative sequences of the crisis for the sector are connected to keeping the current project idle and refraining from new ones due to the need of decreasing the expenses, expected reduction of hardware sales due to slashed consumption, as well as an expected drop of sales rates and reduction of market volume of the ERP systems as a result of crisis influence. BCRA assesses *the level of the risk, resulting from the branch condition and structure in which the rated company operates, as relatively high.*

*During the credit rating actualization period the risk from shareholding structure and participations of „Global Consulting” Ltd. and its owner has kept relatively low.*

In 2008 sales revenues of EMC decreased as a value, as well as a relative share, but though they kept its prevailing share of ~33% in the incomes structure. Main clients are “DSK bank” and Ministry

of Finance. The incomes of software development have a 3-times growth. There is also enhancement at its support, which we assess positively.

The company tangible fixed assets marked a significant downturn due to sales of office areas and the lands attached to them equal to balance value of BGN 565 000.00. After the properties sale, the tangible fixed assets structure is changed and the equipments took the biggest relative share of it – 89%. BCRA considers the risk, *resulting from the operative activity company, is kept at low levels.*

The client portfolio of the company is kept comparatively well diversified, as certain concentration is observed in respect with financial institutions. *BCRA considers that the risk from clients is kept relatively low.*

In 2008 main supplier still remained „EMS Computer System Austria” Ltd., despite the downturn in the relative share (22 % compared to 53 % in 2007). As a whole suppliers structure is kept well diversified. *BCRA considers the risk from suppliers as moderate.*

There are no changes in the risky factors characterized company management. BCRA *keeps its own very good appraisal for „Global Consulting” Ltd. management.*

The company continued the trend of sales revenues growth in 2008 as well. During the past 2 years the company has achieved high levels of financial result despite the slight decrease in 2008 due to anticipating growth of the expenses compared to incomes. Due to the growth of the incomes and slight downturn of the profit in 2008, the indicators of profitability slightly decreased, but as a whole they keep high levels.

Company liquidity marked significant improvement in 2008. The significant growth of the indicators is caused mainly by the downturn in short-term liabilities (down 44 % per annual base).

In 2008 the company didn't have any long-term liabilities, and short-term ones decreased by 44 %

per annual base, which is a reason for reduction of the total leverage of the company.

The period of account receivables collection increased to 32 days (*the highest value in the whole historical period*) due to a growth of receivables. The liabilities to suppliers in 2008 decreased over 50 % which is a reason for significant shorter period of its acquittal.

The Gross Cash Flow in 2008 marked a slight drop compared to the past year in respect with financial result. The company realized a growth of 16 % in the amount of cash flow from main activity. The cash flow from investment activity is a positive item due to the lack of investments within the analyzed period.

The issued by BCRA financial forecast shows that despite the conservatively used forecast data (due to the negative influence of the economical crisis), *the company will be characterized with a positive financial result and stable level of creditworthiness.*

**Main Financial Indicators:**

Indicator (BGN thousands)	2006	2007	2008
Assets	2 149	4 594	4 679
Sales Revenues	3 600	6 863	8 688
Net Financial Result	778	1 902	1 886
Net Profitableness	21,62%	27,97%	24,05%
Profitableness of the operating capital	65,00%	61,99%	50,05%
Leverage	0,43	0,32	0,18
Current Liquidity	1,66	2,39	5,37
Swift Liquidity	0,50	1,30	4,03
Net Cash Flow	-3	1 480	1 411