

**Global Consulting  
EOOD**

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

Bulgarian Credit Rating Agency (BCRA) 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 и Fitch. In 2004 BCRA adapted corporate credit rating methodology of ICRA (An associate of Moody's Investors Service). The rating scale of BCRA coincides with that of Standard & Poor's.

BCRA updates credit rating of „Global Consulting” Ltd. as it assigns a long-term credit rating BBB+ (outlook: stable) and short-term rating A-2. BCRA uses the officially adopted methodology of corporate credit rating ([http://www.bcra-bg.com/files/method\\_8.pdf](http://www.bcra-bg.com/files/method_8.pdf)).

To elaborate the credit report and award the credit rating BCRA uses information from the rated company, NSI, BCRA's database, consultants and other sources of public information.

The IT Sector continues its ascending rate of development in 2007 as well. During the same year the incomes amounted to BGN 3,3 millions<sup>1</sup>, which is about 10 % from the GDP of the country for the same year. *BCRA assesses the overall system risk as moderate.* The company marked 89% up of sales revenues in 2007. EMS commodities have the highest share in the sales revenues of „Global Consulting” Ltd. Main clients in 2007 are “DSK” bank and Ministry of Finance. The incomes of software processing and its

maintenance increased, whereas the sales of SYBASE marked a downturn.

*The risk from operative activity is kept relatively low.*

Company clients portfolio is specific due to longer period of reports preparing. In 2007 the financial institutions are dominant. “DSK” bank has the biggest share – 49%. *BCRA keeps the risk from clients as relatively low.*

The suppliers' structure is directly connected with the working projects. In 2007 the main supplier having share of 53 % is „EMS Computer Systems Austria” Ltd.

*BCRA keeps the risk from suppliers as moderate.*

The rated company incomes marked a positive trend within the period of actualization. The financial result increased 1.5 times in 2007.

In the incomes structure the share of the commodities increased up to 75 %. The observed trend of total amount of expenses is the same with that of realized incomes. Their rise is also significant in 2007– 82%, as the increase is in respect with the balance value of realized sales. The operative result of the company marked a 2-times rise within the analyzed period. The company operative profitability is over 28,9 %, which also show the achieved high results.

The current liquidity of the company within the observed period marked very high values due to significant short-term assets and lack of liabilities to financial institutions. In comparative aspect „Global Consulting” Ltd.

1 . BAIT data

occupies one of the lowest levels of leverage in the competitors` group.

The company marked very low level of the indicator "period of days account receivables collection" due to their abrupt drop within the analyzed year. Due to a rise of liabilities to suppliers, "the days acquittal period" raised to 56 days.

As a whole the cash flow from main activity marked a many times growth in 2007. The cash flow of investment activity is a negative

**Main Financial Indicators:**

Indicator (BGN thousands)	2005	2006	2007
Sales Revenues	2451	3598	6800
Net Financial Result	283	778	1902
Net profitableness	11,55 %	21,62 %	27,97 %
Leverage	0,22	0,43	0,32
Current Liquidity	2,29	1,66	2,39
Net Cash Flow	125	-3	1480

item as a result of the tangible fixed assets rise. The free and net cash flows also increased many times, which we assess positively.

The issued BCRA forecast shows that the company will realize positive financial result. *BCRA assesses the risk from financial condition of the company as relatively low.*