OPTEN

Tailored customer portfolio analysis

Based on 4,094 companies

30 March 2023

Table of Contents

Introduction

There are many reasons why it is important to obtain a comprehensive picture of your clientele's various characteristics. Growth, secure operations and increasing earnings all depend on having a clear sense of who your customers are.

Our analysis provides an overview of the companies you upload along a range of variables, from basic data, such as their respective fields of operation, all the way to calculated financial metrics, and to demographic characteristics of their owners and executives.

Our goal is to provide a comprehensive overview of these companies in order to support your decision making, risk management, expansion or planning to enter a new market.

Each section provides a summary of the characteristic in question, and explains what conclusions you can draw from each value. The results are illustrated visually in a range of charts and brief explanations are included wherever possible.

*Source of aggregated financial data (countrywide, regional and industry-based summaries): annual reports for **2021**.*

*The analysis was run at **16:46:16 on 30 March 2023.***

OPTEN uses a range of scientific methods and algorithms on its continuously expanding company database and the most recent publicly available balance sheets of companies to provide a comprehensive economic analysis of each company. This analysis is produced automatically, and therefore free from human bias, ensuring all companies are evaluated against the same standards. Automation, however, also means that some potentially important factors cannot be taken into consideration. Each such instance is flagged by the system. OPTEN takes the utmost care to ensure the content it provides is accurate, but cannot accept liability for errors in the official sources used. The service is provided entirely at the online service users' own risk.

Sector breakdown

The first step in analysing your clientele is a breakdown by their primary business activity. This provides a sense of how varied your customers' activities are, and how broad the reach of your goods or services is. Business activities are first broken down into industry sectors, then a more granular analysis is provided on the basis of the so-called TEÁOR classification. This is discussed in more detail in the next section.

Industry sectors

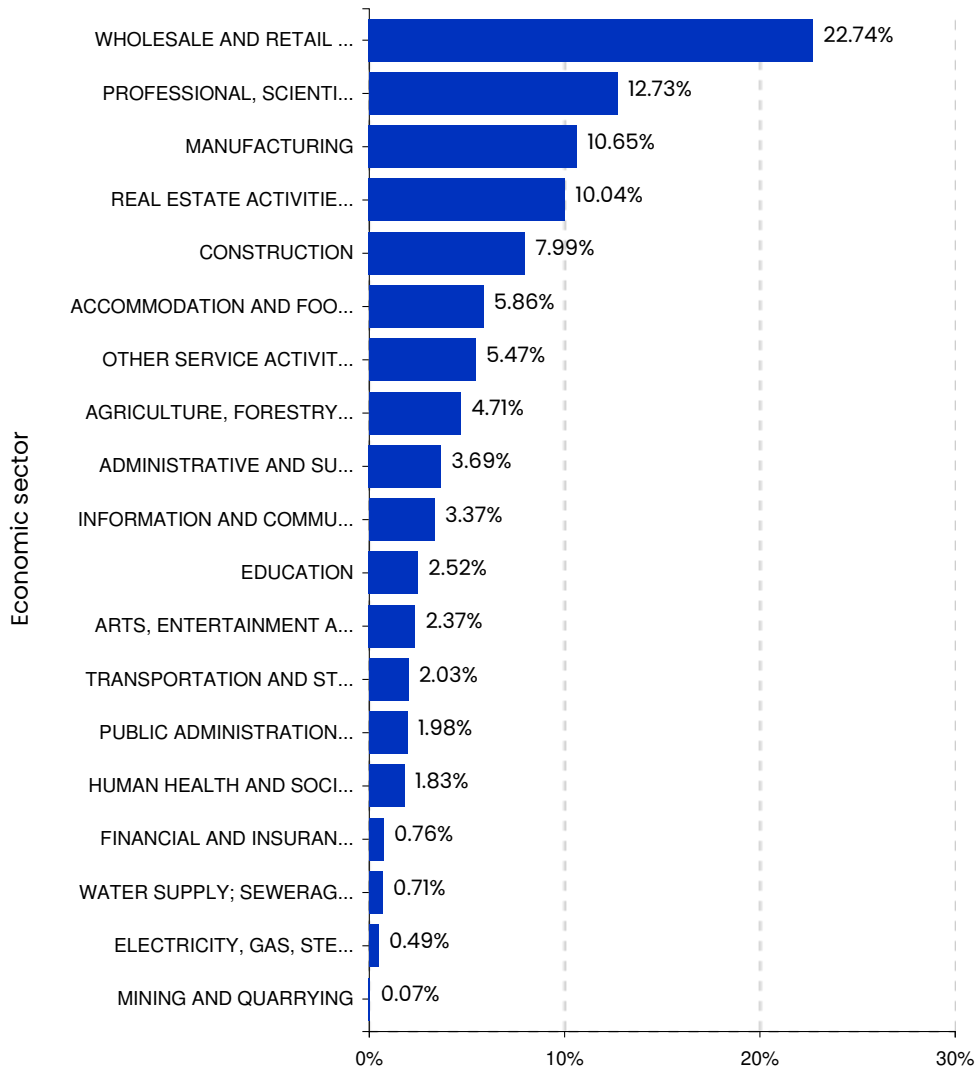Your customers operate in a total of **19** industry sectors.
The majority (**931** businesses, making up **22.74**% of the total) are active in the **WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES** sector.
The second largest group is **PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES** with **521** businesses (**12.73**%). Next comes **MANUFACTURING: 436** businesses (**10.65**%).
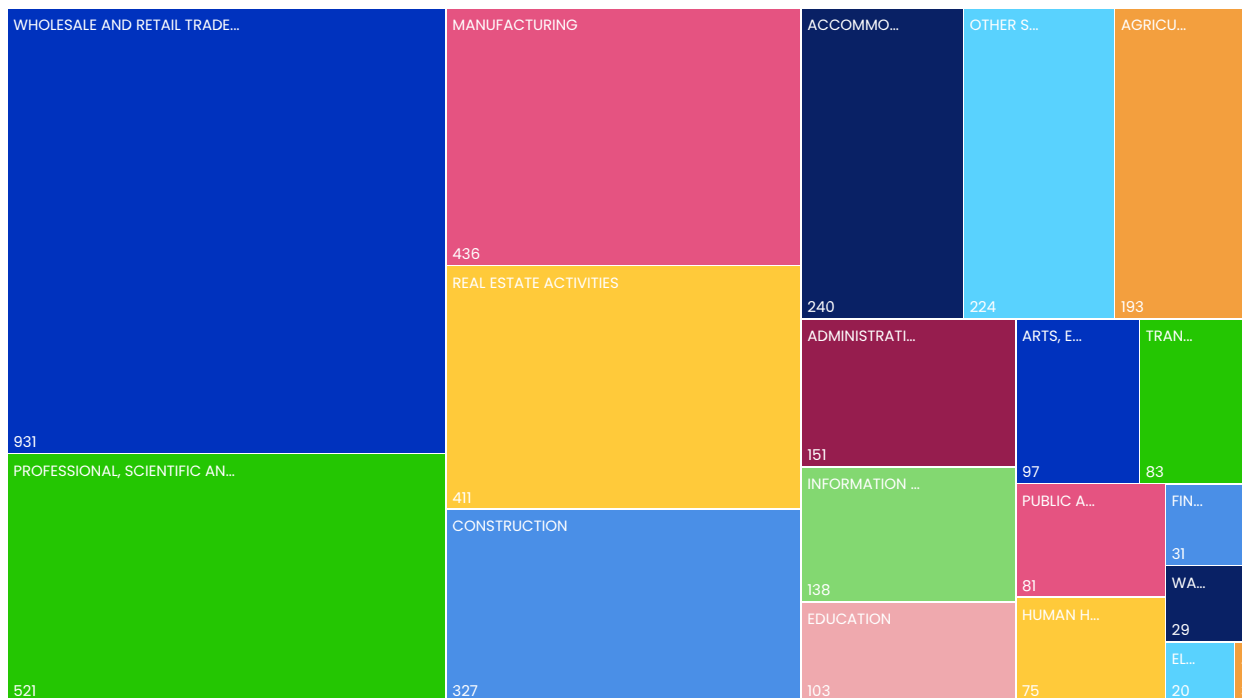
Top industry sectors by principal activity

The principal activity of a business is defined as the one that provides the highest added value, although this may not reach 50% of the total. Principal activities are categorised according to the Hungarian statistical classification of economic activities (TEÁOR). The codes are defined by the Hungarian Central Statistical Office, and are also included in the company register. A high percentage shown for a particular principal activity means a large proportion of your customers are engaged in similar operations.

| Economic sector	Percentage
WHOLESALE AND RETAIL ...	22.74%
PROFESSIONAL, SCIENTI...	12.73%
MANUFACTURING	10.65%
REAL ESTATE ACTIVITIE...	10.04%
CONSTRUCTION	7.99%
ACCOMMODATION AND FOO...	5.86%
OTHER SERVICE ACTIVIT...	5.47%
AGRICULTURE, FORESTRY...	4.71%
ADMINISTRATIVE AND SU...	3.69%
INFORMATION AND COMMU...	3.37%
EDUCATION	2.52%
ARTS, ENTERTAINMENT A...	2.37%
TRANSPORTATION AND ST...	2.03%
PUBLIC ADMINISTRATION...	1.98%
HUMAN HEALTH AND SOCI...	1.83%
FINANCIAL AND INSURAN...	0.76%
WATER SUPPLY; SEWERAG...	0.71%
ELECTRICITY, GAS, STE...	0.49%
MINING AND QUARRYING	0.07%

Revenues and profit after tax

The two most important metrics that define a business's financial performance are revenues and profit after tax. Revenues gives a sense of the size of an operation and its turnover. After-tax profits are even more crucial, however, because customers with higher profits have more potential to purchase your services. Trends over time on both metrics are also important, because your growth must be accompanied by your partners' growth in order to support long-term sustainability.
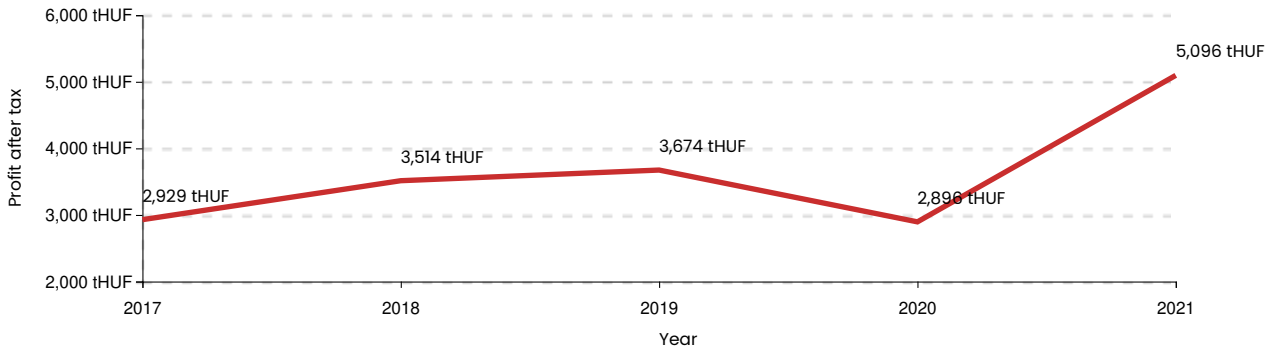
Revenues
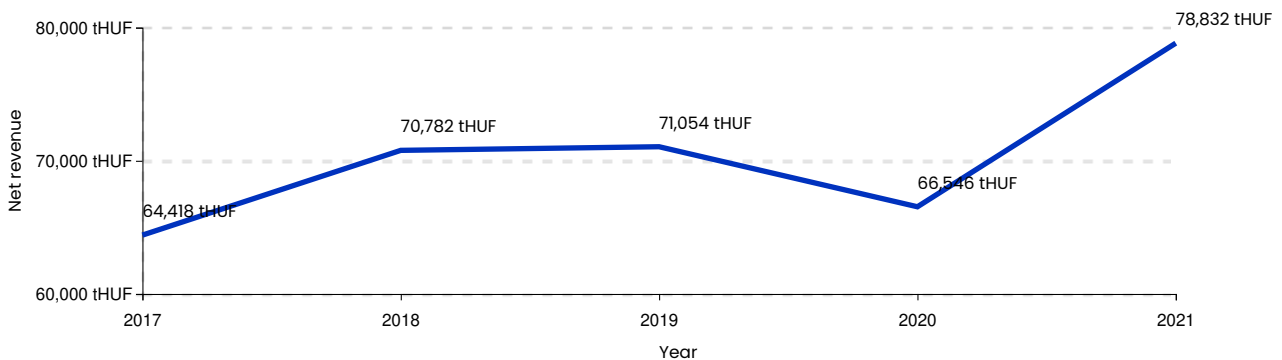
Between **2017** and **2021**, your customers' median* revenues changed from **64,418 tHUF** to **78,832 tHUF**, a difference of **22**%.

The median is the midpoint of all revenue values ordered by rank. It is the middle value that splits the ranked list of all data in two equal parts
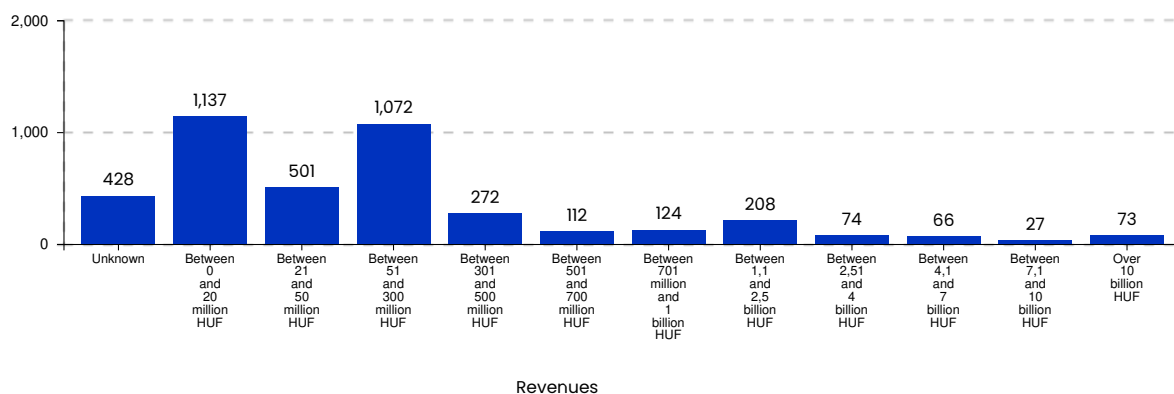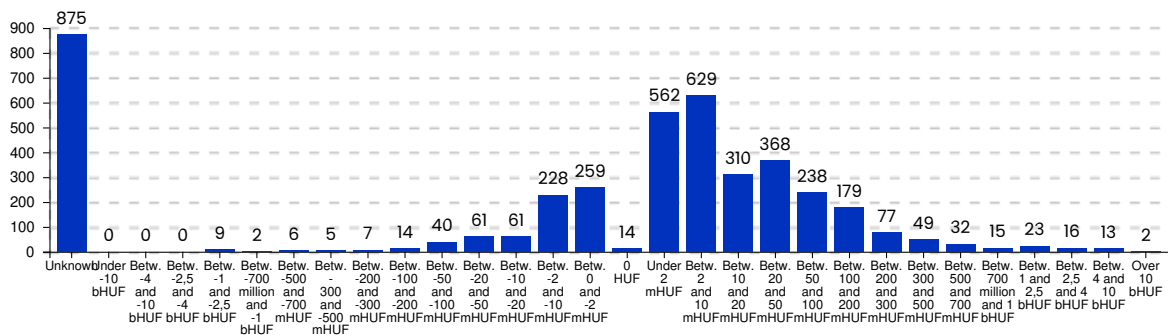

Most customers fall in the **Between 0 and 20 million HUF** revenue range.

Profit after tax

Between **2017** and **2021**, your customers' median* revenues changed from **2,929 tHUF** to **5,096 tHUF**, a difference of **74**%.

The median is the midpoint of all profit after tax values ordered by rank. It is the middle value that splits the ranked list of all data in two equal parts
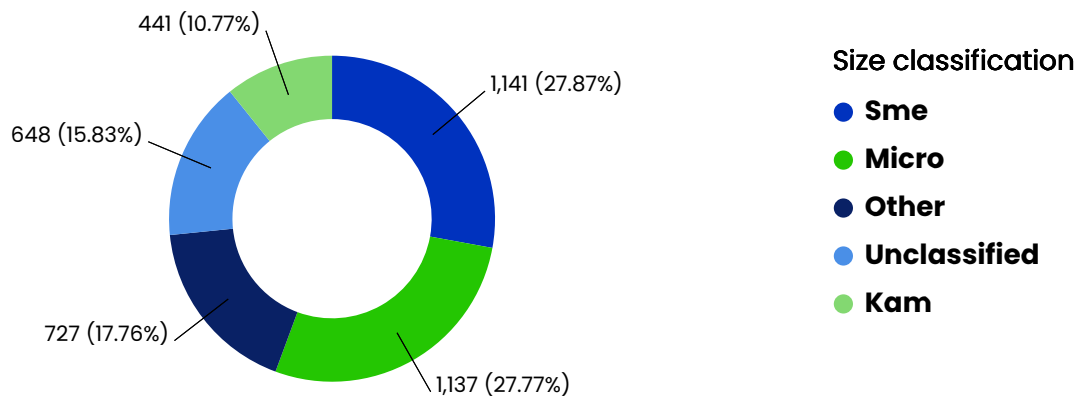

Most customers fall in the **Unknown** profit after tax range.

Breakdown by size

In order to simplify comparisons by size, businesses are categorised on the basis of their revenues. The chart below shows the number of businesses that fall in each of these categories.

441 (10.77%)

1,141 (27.87%)

648 (15.83%)

727 (17.76%)

1,137 (27.77%)

Size classification

- ● **Sme**
- ● **Micro**
- ● **Other**
- ● **Unclassified**
- ● **Kam**

KAM: businesses with revenues in excess of HUF 1 billion

SME : businesses with revenues between HUF 100 million and 1 billion

MICRO : businesses with revenues between HUF 10 million and 100 million

Other : businesses with revenues under HUF 10 million

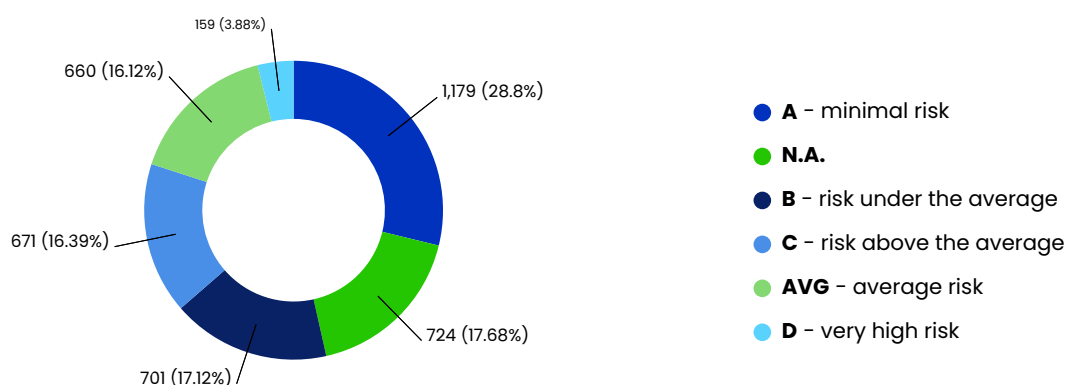Unclassified: no revenue data available

Risk level and resilience

Using a combination of annual financial data and weekly extracts from the company register, we apply proprietary algorithms to calculate the likelihood of each company becoming insolvent within the next year, as well as the resilience of the business to a potential economic recession.
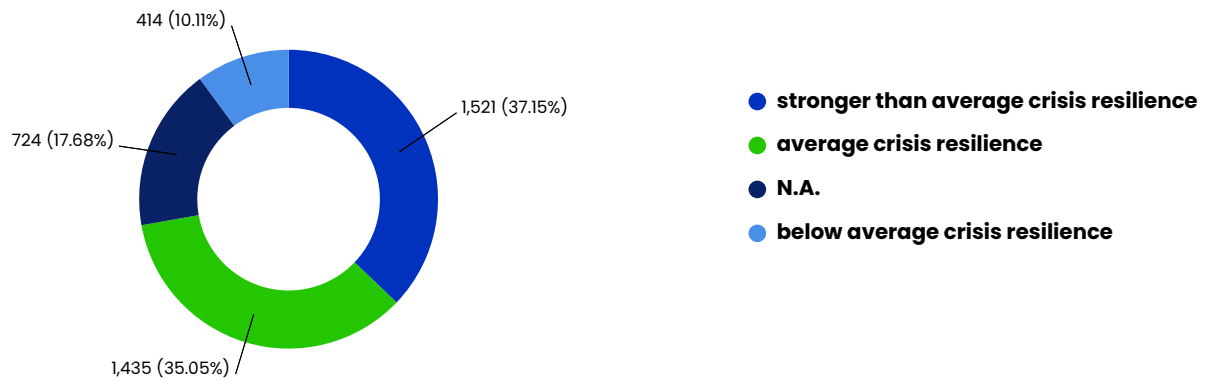
Risk classification

We feed financial data, information recorded in the company register and other publicly available figures into our proprietary mathematical and statistical algorithms on a daily basis to calculate the likelihood of each company entering administration within the next year. This scoring model allows us to classify Hungarian companies into one of five categories (A, B, AVG, C, D) by their level of risk:

- Categories A and B mean the company's operations are sound, and the risk of becoming insolvent is below average.
- AVG indicates the company has an average chance of becoming insolvent. For more details on company's the economic situation, financial metrics and ownership, consult OPTEN's Balance Sheet Database and Relationships Network services.
- For category C, Company Analysis is recommended, along with consulting OPTEN's Relationships Network to clarify any questions regarding the economic situation, financial metrics and ownership of the company at hand.
- We advise special caution for companies in category D. This indicates that the available data suggest the company is either already facing financial difficulties, or is at an above-average risk of becoming insolvent. Newly established businesses also fall in this category.

- **A** - minimal risk
- **N.A.**
- **B** - risk under the average
- **C** - risk above the average
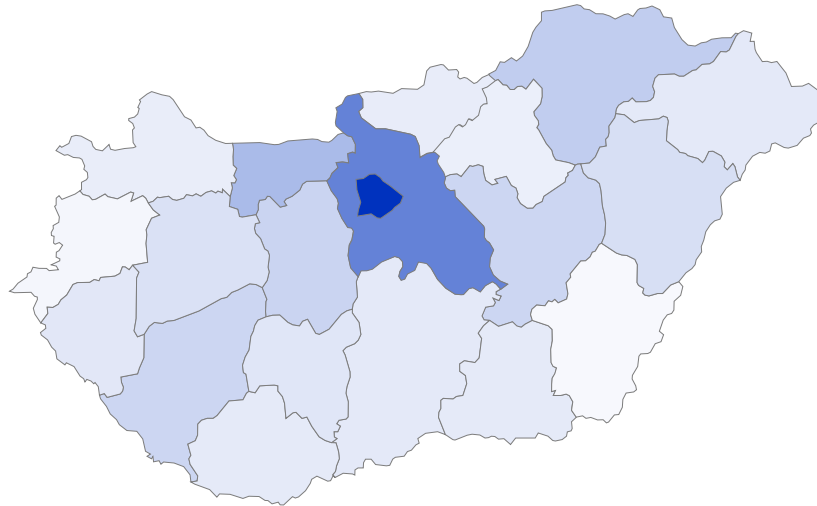- **AVG** - average risk
- **D** - very high risk

Resilience Index

The resilience index indicates how resistant the business in question would be in case of a recession. This is an industry-neutral, composite metric that focuses on financial and other company data that are typically the most relevant at times of recession.
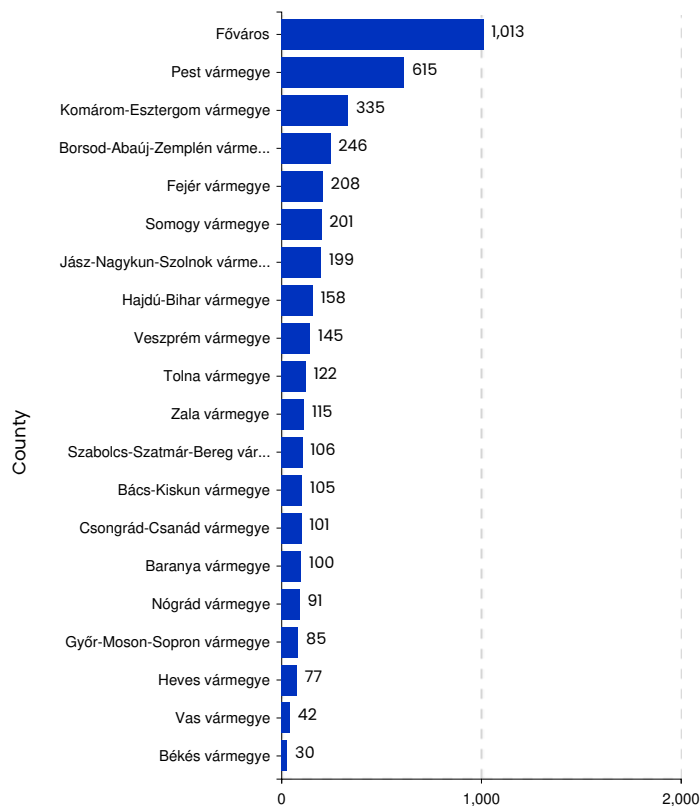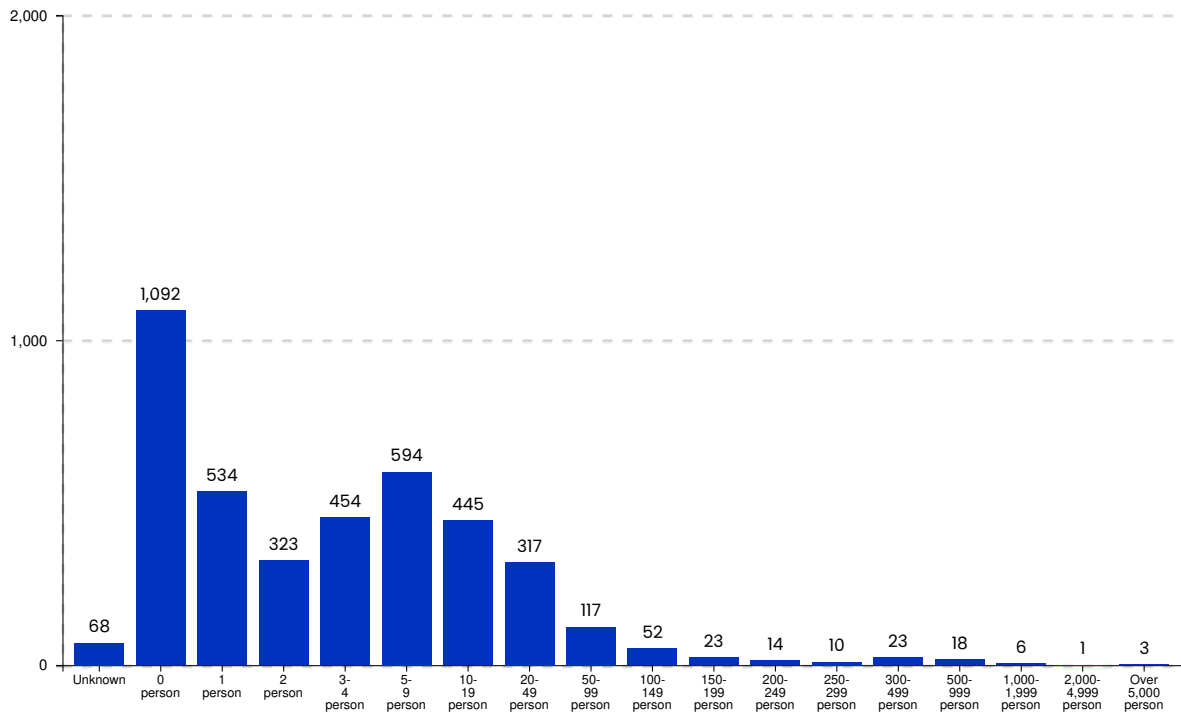

- **stronger than average crisis resilience**
- **average crisis resilience**
- **N.A.**
- **below average crisis resilience**

414 (10.11%)
1,521 (37.15%)
724 (17.68%)
1,435 (35.05%)

Headcount

Your customers' employee headcount most typically falls in the following categories:
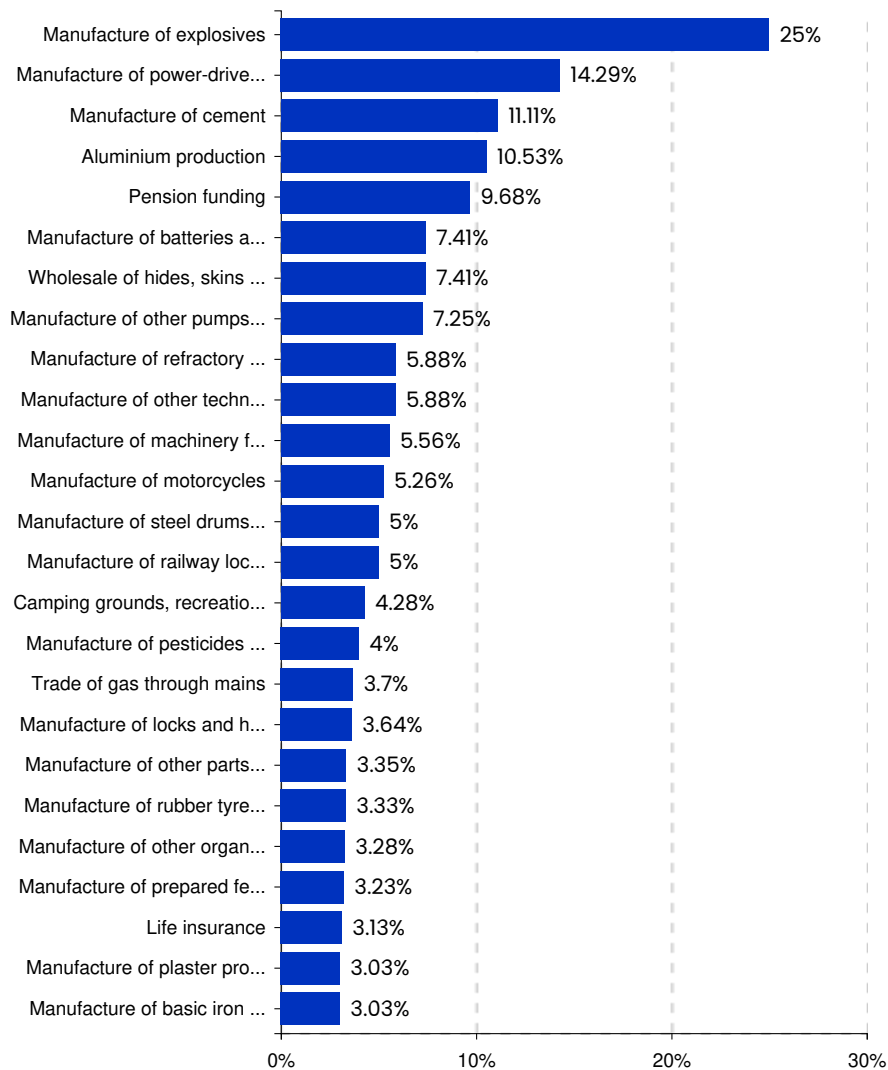
0 person: **1,092** businesses

5-9 person: **594** businesses

1 person: **534** businesses

Market coverage

It is important to get a sense of the extent to which you are covering the whole of the market through your partners, i.e. what proportion of businesses operating in a particular sector are already your customers or partners. The chart below shows market coverage through your partners, broken down by sector. A high percentage indicates that your message has landed with most companies in a given sector. Low figures suggest there is significant untapped potential in the sector in question.

Sector	Coverage
Manufacture of explosives	25%
Manufacture of power-drive...	14.29%
Manufacture of cement	11.11%
Aluminium production	10.53%
Pension funding	9.68%
Manufacture of batteries a...	7.41%
Wholesale of hides, skins ...	7.41%
Manufacture of other pumps...	7.25%
Manufacture of refractory ...	5.88%
Manufacture of other techn...	5.88%
Manufacture of machinery f...	5.56%
Manufacture of motorcycles	5.26%
Manufacture of steel drums...	5%
Manufacture of railway loc...	5%
Camping grounds, recreatio...	4.28%
Manufacture of pesticides ...	4%
Trade of gas through mains	3.7%
Manufacture of locks and h...	3.64%
Manufacture of other parts...	3.35%
Manufacture of rubber tyre...	3.33%
Manufacture of other organ...	3.28%
Manufacture of prepared fe...	3.23%
Life insurance	3.13%
Manufacture of plaster pro...	3.03%
Manufacture of basic iron ...	3.03%

Financial metrics

Calculated financial metrics allow you to get an even more thorough understanding of your partners. The following sections introduce all the important metrics: they start with a brief explanation, and also set out the optimal values.

Liquidity ratio
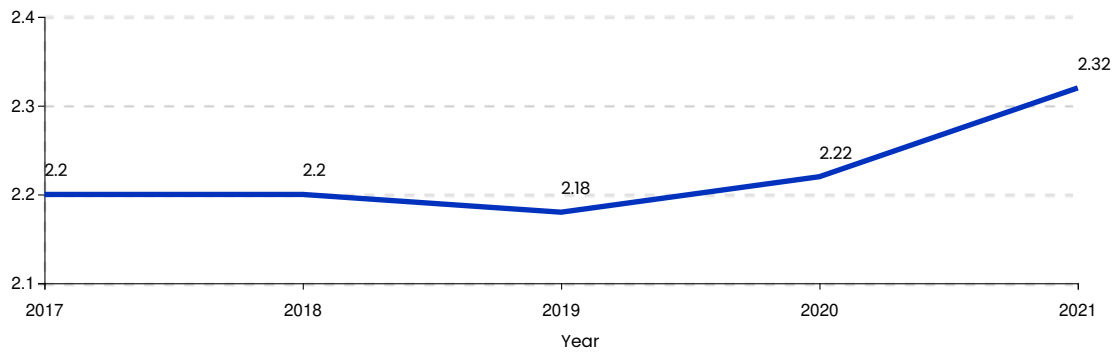
Current assets / Short therm liabilities

An indicator of how likely creditors are to be able to collect short-term debt. The higher this ratio, the more likely the business is to be able to deliver on its payment obligations (banks consider a value between 1.3 and 1.5 as acceptable).

The median liquidity ration changed from **2.22** in **2020** to **2.32** in **2021**.

The following industry sectors are characterised by the highest figures:
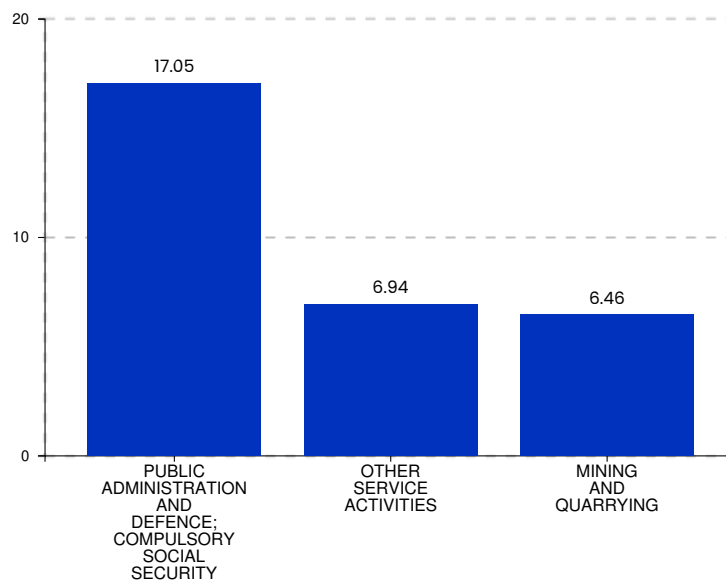
Revenue per employee

An indicator of revenue produced by each employee of a business. Higher values are considered more desirable. The relevant Hungarian SME legislation adopted the EU figure of around HUF 60 million (EUR 200,000) as an indicative standard.
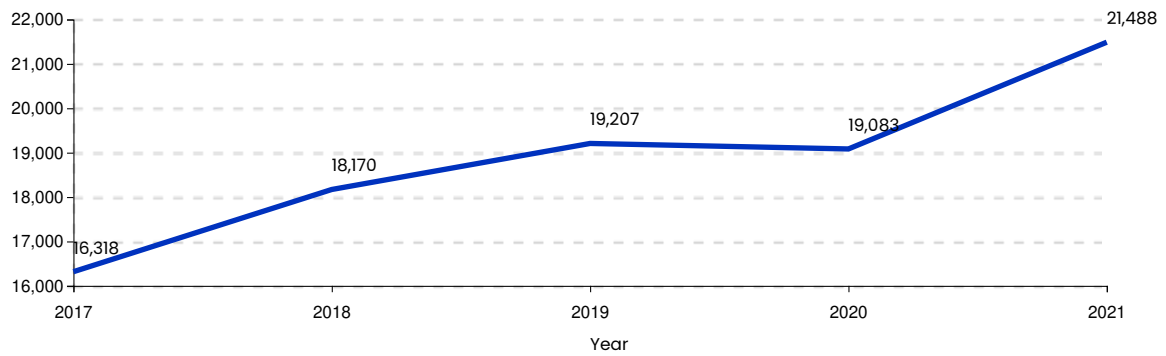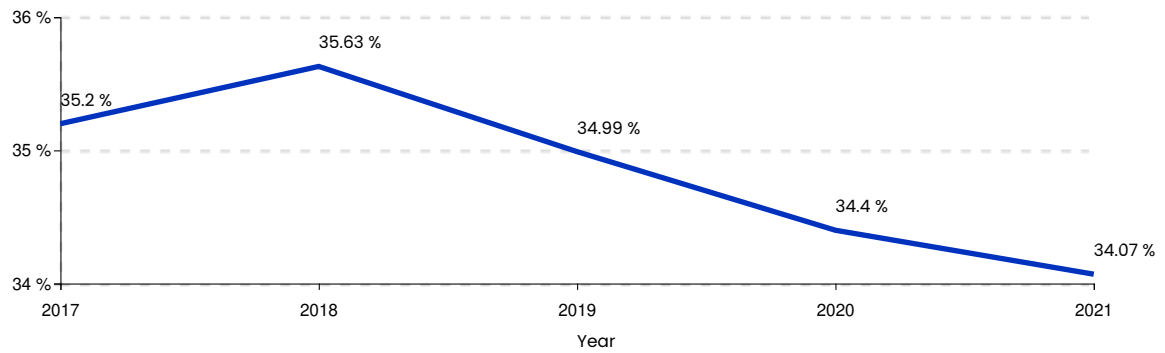

Net revenues (eFt) / Average headcount

The following industry sectors are characterised by the highest figures:
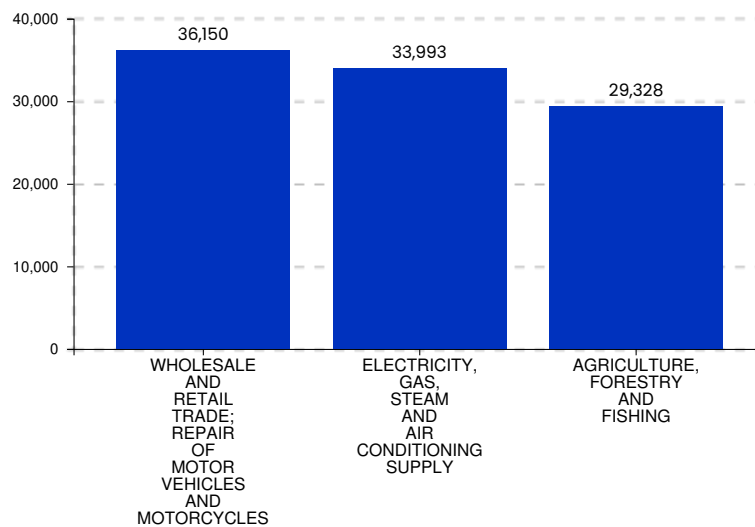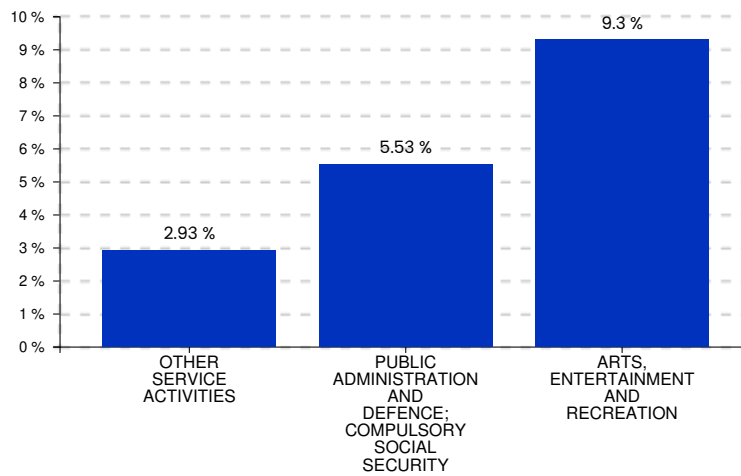
# Indebtedness

Liabilities / Total assets

An indicator of what percentage of a company's assets are financed externally. Lower values are considered more desirable. A value over 65-70% is excessive; under 30-40% is considered good.

The least indebted industry sectors are:

Profit margin

An indicator of the cost–price ratio for the activity in question, i.e. how much profit the business can generate from each forint of revenue. Higher values are considered more desirable. Although figures vary widely by industry and type of activity, 5-10% is considered good.
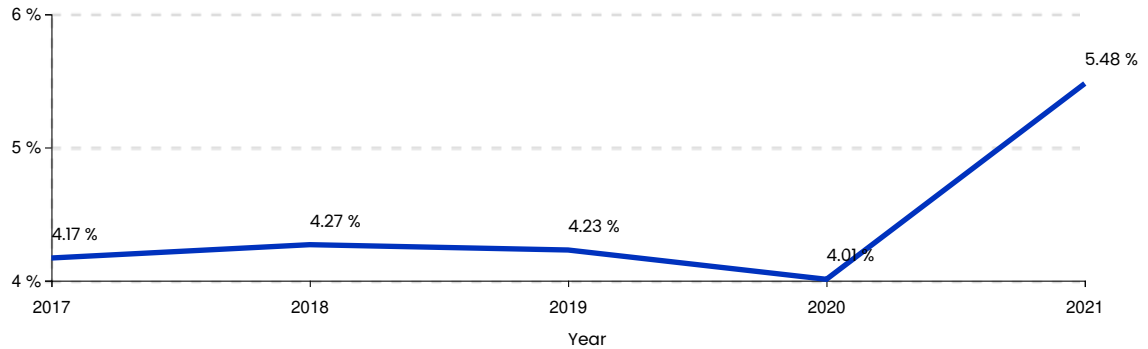
Profit after tax / Net revenues

The industry sectors with the highest profit margins are:
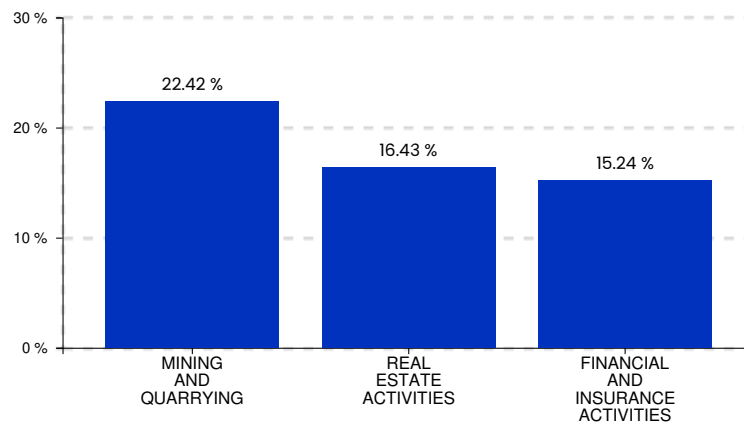
Demographic indicators

The last section of the analysis considers the so-called demographic characteristics of each business, such as the age of each company, the ages of their shareholders and executives, and the ratio of male and female executives.

The age of businesses, shareholders and executives

The median age of the businesses indicates the level of maturity in your clientele.

The age of executives and shareholders is also a relevant consideration, since a number of businesses are on the verge of a generational shift.
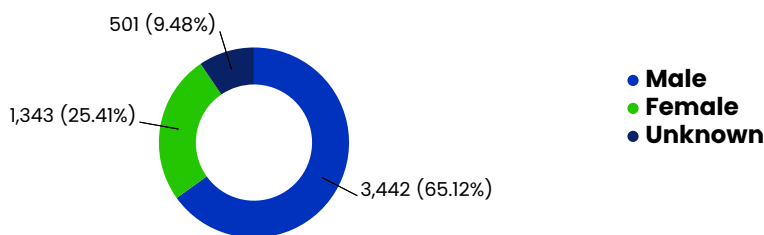
23	52	54
Median age of businesses	Median age of executives	Median age of shareholders

Proportion of male and female executives

501 (9.48%)

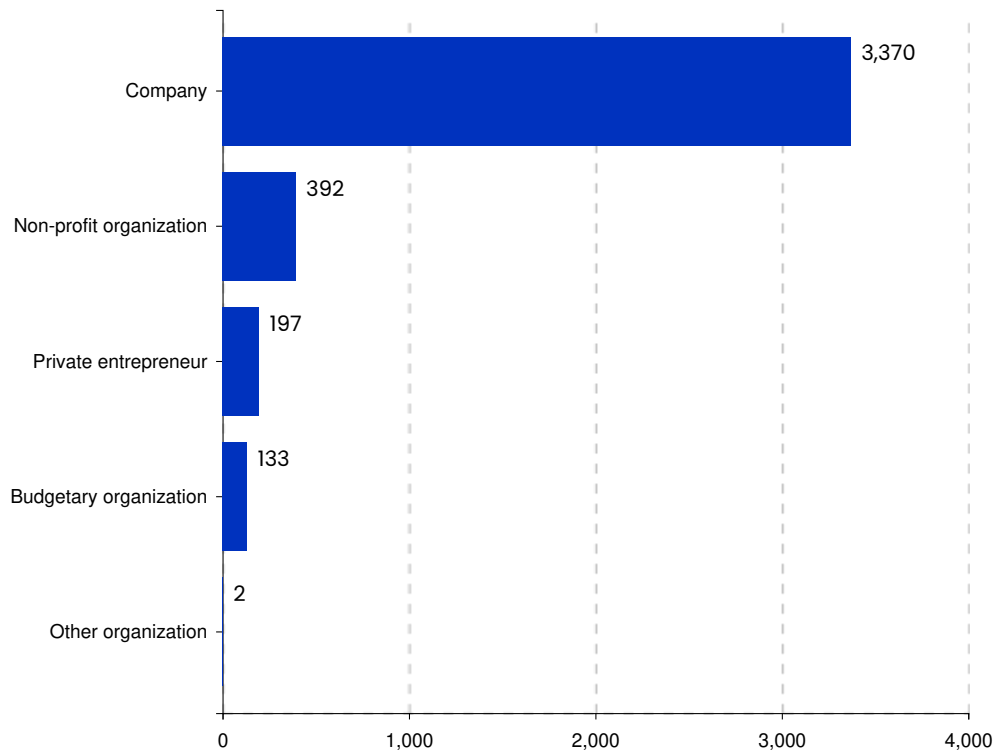1,343 (25.41%)

3,442 (65.12%)

● **Male**
● **Female**
● **Unknown**

Proportion of male and female shareholders

468 (6.78%)

2,304 (33.38%)

4,131 (59.84%)

● **Male**
● **Female**
● **Unknown**
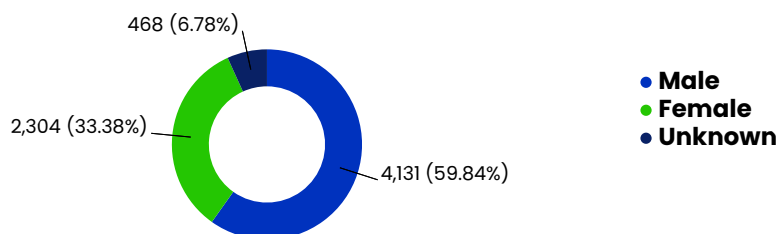
Breakdown by business structure

The last section shows the breakdown of your partners by business structure, i.e. the number of companies, sole traders, etc.


Business structure	Value
Company	3,370
Non-profit organization	392
Private entrepreneur	197
Budgetary organization	133
Other organization	2

OPTEN

This analysis was produced by OPTEN's BI system:
bi.opten.hu

CUSTOMER PORTFOLIO ANALYSIS
**Risks and opportunities emerging from your clientele**

We provide a detailed analysis of your current customer portfolio by industry sector, characteristics and size. Up to 18 analyses and charts to help you obtain a comprehensive overview of business risks, the pitfalls of your industry sector, and your growth potential.
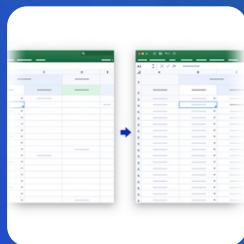
DATA+
Missing company information

We update your records and customer database with missing information, including company data, financial indicators, information about business activities and contact details. Get an up-to-date and well-structured database in a matter of minutes.
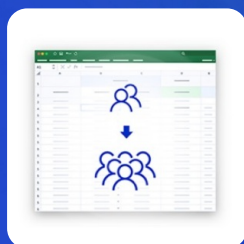
PARTNER+
Customer similar to existing clientele

Business intelligence allows you to expand your customer list more easily than ever, by identifying customers who are the most like your current clientele. Seek out potential partners domestically and internationally, using a set of easy-to-define parameters based on your best existing customers.

TAILORED ANALYSIS AND CONSULTATION
Unsure which analysis you need? Do you need more than one service?

We offer consultations tailored to your needs to map out your biggest business challenges and the obstacles to achieving your goals. You will also receive a complex, individualised analysis on the basis of this discussion.