

PROFITABILITY AND RISK ANALYSIS IN THE METALLURGICAL INDUSTRY LEADING COMPANIES IN ROMANIA

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Abstract: : This paper aims profitability and risk metallurgical industry in our country in a time not too pleasant for both the global economy and of course for the Romanian economy, namely, the period immediately following the downgrading of the economic crisis. Metallurgy, the same trend worldwide but of course with some peculiarities in Romania, making it one of the important economic sectors in our country with a significant share in the Romanian industry and therefore to GDP, being the one who sparked our interest in study it in terms of profitability and risk of the economic crisis so far.

JEL classification: G01, G32, C58, O14

Key words: critical; economic crisis, profitability, risk, correlation.

1. INTRODUCTION

Metallurgy occupies a significant position in the Romanian economy, having as basis the share of industrial production and total exports, ie 6.8% of the country's industrial output value in 2009, 8.9% of the value of manufacturing output in 2009 and 11.9% of the country's total exports in 2010, the data being provided by the National Institute of Statistics of Romania.

Metal mining is a long time in our country, but the metal industry grew rapidly after the Second World War. Even today, despite the country's economic situation is not exactly a pleasant one, to invest in this industry, but lack of funds these investments are insignificant compared to the needs of this industry. High energy installations technically obsolete does nothing but lead to a significant increase in the final price so be disadvantaged in terms of their competitive Europe.

Industry is ramnificată three main groups namely: iron ore mining and steel, non-ferrous ore mining and non-ferrous metallurgy and the last line being given by industry engineering and metal processing.

Wish to study business profitability of Romanian industry of simple metals started reading the history of this important sector of our economy. Not infrequently heard praise about the industry in our country, how to work in these enterprises and also removed the gates output of these enterprises, production that was intended mainly to countries abroad.

We then asked how much these enterprises decreased the Romanian industry, what's left of it and where it goes.

Today at BSE are 35 companies listed 10 companies producing metallurgical and metal pipes.

Companies selected for study on the profitability and risk of the branches are among the first companies in the sector, taking care to include the manufacturing of steel pipes, namely: Alro Slatina, alumina SA Tulcea, TMK Artom, AROMET and ArcelorMittal Hunedoara.

The period chosen is 2008 - 2011, a period quite economically significant, which encompasses both economic-crisis year and the next three years.

Apparently, according to the INS, the peak level of production of metallurgical industry after 2000 was registered in October of 2008, months before the onset of the economic crisis.

In November of that year until January next year, industrial production declined, heavy metal, the level is up to 37 percentage points reaching 52%. This month was regarded by those in the National Prognosis Commission as the minimum in the evolution of metallurgical industrial production in our country.

May of 2009 provides information on developments favorable metallurgical industry in our country, this recovering up to 2% of the total loss previously recorded. Industries of our country therefore, metallurgy was most affected by the economic crisis, having the largest decrease in total production.

2. THEORETICAL CONCEPTS ON PAPER CONTENT

A profitable company is a company desired by all investors regardless of borders between what we stand, the main objective of which is to place the company in a better position as market and make a profit but to reward their efforts risk assumed and the enterprise .

Profit is defined in economic literature in several ways, it has often been confused with profitability.

For two concepts are defined from the beginning I will start to define profitability, that "cost is a synthetic form of expressing economic efficiency, which reflects the ability of firms to make a profit."¹

Profit is defined as "earnings of an entity as a result of an activity in a certain period of time."²

It is considered to be a synthetic indicator which considers as absolute, firm profitability.

Given the two definitions we can say that a profitable activity should not be necessarily profitable in a certain period of time. Anglo-Saxon, however, does not distinguish between profitability and profit, profitability by associating them with profit. Basically this system is not only met the concept of return profitability.

Peter Drucker defines profit from three perspectives³, namely:

- Measure the net efficiency and robustness of a business effort;

¹ Siminică Marian, Analiză economico-financiară, Editura Universitaria, Craiova, 2009, pag. 161

² Achim Monica-Violeta, Borlea Sorin-Nicolae, Analiza financiară a entităților economice, Editura Risoprint, Cluj-Napoca, 2012, pag.279

³ Drucker P., The practice of management, Heinemann, London, 1955

- Prize is offered as a result of riscării and assumption of certain costs in a business;

- ensure the provision of capital for future innovation and development.

In French literature distinguishes between two terms yield and profitability is even outraged by French authors confuse the two concepts.

Colasse B., a brand repentant French school of accounting, defines the return from the "ability of an enterprise (enterprise is seen as an investment) to get a result, by measuring the ratio between this result and the investment which is the company".

The same author defines profitability comes as "apitudinea company to get a result as a result of its business, often expressed as the ratio between the output and sales."⁴

Profitability Analysis of the economic entity is done using specific indicators for each type of activity separately: operational, financial and extraordinary.

Operating the business profitability metrics are:

1). Net turnover defined as the indicator consists of proceeds from the sale of goods and manufactured products as well as revenues from services provided to third parties.

$$T = V_M + Q_V + Se$$

This indicator measures the workload of the entity on two components: production and marketing.

2). Production year (Q_e) is another measure of operating profitability in the business and reflects the entity's overall productive activity. It is elcătuită already capitalized on market production, production stored and made for domestic production of the entity.

$$Q_e = Q_V + Q_S + Q_i$$

3). Trading margin (M_c) which represents the new value created in the trade, business profile entities and entities engaged in productive activity profile of commerce in retail shops.⁵ Ventura is calculated as the difference between sales of goods (V_M) and cost of goods sold (CD).

$$M_c = V_M - CD$$

4). Industrial margin (M_i) is a specific industrial companies and is the new value created by them. Be determined from subtracting from the value of the exercise cost of raw materials and consumables and value of works and services provided by third parties.

$$M_i = Q_e - (CM + LT)$$

5). Value added (VA), the resulting synthetic indicator which expresses the volume of business activity, defined as the surplus value that a company offers to a particular good or service.

$$VA = M_c + M_i$$

6). Gross operating result (R_{Bexpl}) defined as indicator reflects the result of an entity from operating activities, this result is not affected by depreciation policy and provisions. Relationship calculation is as follows:

$$R_{Bexpl} = VA + Se - (IT + CP)$$

where: IT - taxes;

⁴ Colasse B., Le gestion financiare de l'entreprise, PUF, Paris, 1993, pag.54

⁵ Achim Monica-Violeta, Borlea Sorin-Nicolae, Analiza financiară a entităților economice, Editura Risoprint, Cluj-Napoca, 2012, pag.282

PS - the staff, including the contribution from the state budget entities on staff costs.

7). Operating result (Rexpl) is an indicator that measures the profitability of the economic entity operating the business. The gross operating result differs in that it takes into account depreciation and provisions policy promoted by the entity.

$$\text{Rexpl} = \text{Vexp} - \text{Cexp}$$

Where: Vexp - operating income;

Cexp - operating expenses.

The financial business profitability is measured by financial results obtained as the difference between total financial income (Vf) and total financial costs (Cf) recorded at the enterprise level.

$$\text{Rf} = \text{Vf} - \text{Cf}$$

The extraordinary work have great results calculated as the difference between extraordinary income and extraordinary expenses. These revenues and expenses random character and can not be taken into account in determining an entity's future performance.

Profitability analysis of overall private economic entities may be made by means of a composite of interim and final results of its work. In this sense we can distinguish the following indicators:

1). The gross result obtained by the results of the three activities of the economic entity: operational, financial and extraordinary.

$$\text{Rbexer} = \text{Re} + \text{Rf} + \text{Rex}$$

2). Gross profit before deducting interest and tax - EBIT, ie English Earning Before Interest Taxes year), measures the amount of income earned by an enterprise uninfluenced by cheluilala interest payment.

$$\text{EBIT} = \text{Rbexer} + \text{CHD}$$

Where: CHD - interest expenses.

3). Gross profit before deducting interest, tax, depreciation and amortization to - EBITDA:

$$\text{EBITDA} = \text{EBIT} + \text{D}$$

where: D - Volume depreciation calculated on a net basis, as the difference between the costs or expenses of depreciation, provisions and adjustments for depreciation and revenue provisions and adjustments for impairment.

4). Net result for the year that is the end result of a business after deducting costs or expenses tax deductible including tax profit (IP).

$$\text{Rnexe} = \text{Rbexer} - \text{IP}$$

5). Self-financing capacity (CAC), an indicator known in the literature as profit and cash flow reflects the internal financial potential at company level, resulting from its industrial and commercial activities.

$$\text{CAF} = \text{Rnexe} + \text{CHD} + \text{D}$$

Research work continues the study of operational and financial risk across the enterprise activities.

Kit Sadgrove believes in his The Complete Guide To Business Risk Management risk as something positive in an enterprise, the element that pushes firms to innovate. He believes that a company is heading towards innovation unoriented sure to failure.

"Operating risk firm expressed inability to adapt to time and lowest cost to changes in economic and social environment and economic outturn reflects variability depending on operating conditions"⁶

In the case study of this thesis operating risk is measured by operating leverage factor, determined by the relationship:

$$CLE = \frac{\frac{\Delta RE}{RE0}}{\frac{\Delta CA}{CA0}}$$

A definition of financial risk is that "expresses the variability of outcome indicators due to changes in the financial structure of the company. When a call loan company need to bear in its results and related financial expenses, which makes borrowing by its size and cost, to alter the results and financial risk".⁷

Case study the financial risk is determined using financial leverage, calculated with the equation:

$$LF = \frac{\text{Datorii}}{\text{Capital propriu}}$$

Theory research work is based in the main case study metallurgy companies in our country, the study based on the calculation of the indicators profitabiliate these enterprises but also calculate the risk level of operating and financial activities of these companies.

3. METHODOLOGY AND RESEARCH OBJECTIVES

Research paper draws on the profitability and risk of the top five companies in the steel industry of Romania, namely: Alro Slatina, alumina SA Tulcea, TMK Artom, AROMET and ArcelorMittal Hunedoara.

Research period is from between 2008 - 2011, 2008 and 2009 are of course included in the period under investigation.

Documents used in the research study are taken from the site BSE, five companies are listed companies.

And relevant in this work seemed to study risk level two activities: operating and finance, this being done through operating leverage ratio that financial leverage.

Towards the end of the paper was intended correlation between profitability indicators at the three levels of activity and risk indicators calculated on the 5 companies. Correlation was performed using SPSS statistical program using the Pearson correlation index.

The main objective of this research work is to track the profitability of the Romanian steel industry in the early emergence of the economic crisis, compounded by the risks to which the industry is subject.

Another objective of this work is to get an opinion on the state of the steel industry in Romania, given that the work is based on one of the first companies in terms of height and volume of their activity, and I can say even in terms of sales.

4. CASE STUDY ON PROFITABILITY AND RISK ANALYSIS TO COMPANIES IN ROMANIAN METALLURGY

⁶ Buş e Lucian, Siminică Marian, Cîrciumaru Daniel, Dalia Simion, Ganea Mirela, Analiză economico-financiară, Editura Sitech, Craiova, 2010, pag. 213

⁷ Siminică Marian, Analiză economico-financiară, Editura Universitaria, Craiova, 2009, pag. 206

Profitability analysis of companies included in this case study is conducted from three types of existing business activities, namely: operating activities, financing activities and work great.

Profitability indicators were calculated for the period 2008 - 2011, they were grouped according to the specific activity. Thus from the data of financial and accounting documents following values were obtained:

Table no. 1 Profitability indicators by type of activity

Indicator		2008	2009	2010	2011
Operating level					
T	Alum SA	113.620.804	94.289.943	67.945.260	74.007.746
	Arcelomittal	592.099.439	132.991.473	282.419.211	388.082.736
	Alro	1.968.015.548	1.410.481.647	1.813.036.261	2.241.390.928
	Aromet Buzău	145.140.178	238.683.271	339.579.000	397.865.426
	TMK Artrom	678.876.133	441.696.576	665.822.119	856.313.578
Qe	Alum SA	57.238.810	50.669.987	33.277.404	35.021.893
	Arcelomittal	566.487.106	147.308.563	252.995.633	377.624.147
	Alro	1.856.230.675	1.534.767.626	1.790.591.492	2.183.564.102
	Aromet Buzău	49.610.032	86.082.918	207.533.623	265.198.016
	TMK Artrom	610.225.704	435.657.927	688.040.940	863.970.709
Mc	Alum SA	15.608.972	10.864.147	8.537.289	9.874.171
	Arcelomittal	2.599.092	1.570.999	14.612.362	8.796.985
	Alro	180.284	2.902.729	54.267	102.147
	Aromet Buzău	-47.129.389	-80.649.690	118.691.723	131.284.821
	TMK Artrom	622.572	-25.595.374	-2.142.332	-2.845.406
MI	Alum SA	15.204.996	14.445.935	8.611.560	7.341.761
	Arcelomittal	157.862.709	52.927.602	18.775.414	78.592.735
	Alro	989.396.937	938.463.345	1.066.741.681	1.227.822.090
	Aromet Buzău	-362.313.114	5.533.703	6.335.594	12.458.018
	TMK Artrom	112.181.625	140.510.328	210.964.047	252.969.263
VA	Alum SA	30.813.968	25.310.082	17.148.849	17.215.932
	Arcelomittal	160.461.801	54.498.601	33.387.776	87.389.720
	Alro	989.577.221	941.366.074	1.066.795.948	1.227.924.237
	Aromet	-409.442.503	-75.115.987	125.027.317	143.742.839

	Buzău				
	TMK Artrom	112.804.197	114.914.954	208.821.715	250.123.857
Rexplo	Alum SA	12.382.075	9.592.424	2.666.084	3.815.574
	Arcelomittal	28.555.741	-128.446.899	-48.160.719	-17.694.143
	Alro	265.117.670	61.913.579	289.448.153	368.408.008
	Aromet Buzău	4.385.108	4.376.864	5.689.103	5.471.359
	TMK Artrom	36.747.917	9.246.482	52.052.336	89.823.532
EBE	Alum SA	17.026.180	13.101.511	7.493.732	7.399.385
	Arcelomittal	121.508.975	-4.676.451	11.532.215	66.116.558
	Alro	695.370.195	764.787.524	882.800.767	1.013.146.171
	Aromet Buzău	-414.285.867	-79.070.748	121.187.984	138.947.613
	TMK Artrom	63.162.441	73.771.347	158.795.720	187.693.742
Financial level					
Rf	Alum SA	-1.118.873	668.932	326.991	926.141
	Arcelomittal	26.369.975	10.365.568	16.300.820	2.117.021
	Alro	45.534.532	22.953.518	-96.421.970	-88.266.012
	Aromet Buzău	-3.725.642	-3.494.240	-2.974.478	-2.773.028
	TMK Artrom	-101.233.267	-42.554.283	-62.917.422	-22.320.271

Source: Authors creation

The first indicator of profitability is calculated net turnover, it being down for most companies in 2009 compared to 2008, except here AROMET Buzău.

The second indicator calculated from the operating activity is the production year. If society Alum Tulcea SA production is decreasing year on year to year, this being due to production variation of production sold and stored.

The company ArcelorMittal recorded an unfavorable situation in 2009, but in 2010 production increase this year maintaining records even in 2011.

Alro Slatina and TMK Artom companies have a similar situation to that of ArcelorMittal, production year these two companies reached in 2011 at a level favorable to the other years.

Aromet the best situation in terms of the production year, this being the only company in which the indicator is constantly increasing. This is mainly due to the increase of production sold, which is observed from the determination of turnover of the company.

Overall trading margin values are favorable, although sometimes there is a slight decrease for companies such as alum and ArcelorMittal. A special situation companies have AROMET and TMK Artom where trade margins and negative values. This is justified by providing these companies as a result of contracts based on quantities of production sold, some discounts on the total quantity sold.

Before coming industrial and commercial cover damages on the margin, which is the most growing companies from one period to another, although despite its small impairments in certain periods, the situation is still assessed as favorable.

ArcelorMittal has a sudden drop in value added in 2009 and 2010 than in 2008, presenting favorable situation in 2011, when the indicator shows an increase due to industrial margins. Alro Society has added value decrease in 2009 compared to 2008, but this decrease is recovered in the years immediately following the pointer register significant increases. Thanks dicounturilor granted the first two years AROMET the added value negative, the sudden increase in the coming years.

TMK Artrom value added is growing despite their discounts to customers sold production. This company recover loss from discounts by industrial margin that is growing from year to year. From the point of view of the only companies operating result Alro AROMET and TMK Artrom recorded favorable situation since 2010, despite low levels of 2009. The company with the most critical situation is ArcelorMittal, which from 2009 levels recorded negative operating income.

The financial activity does not appear favorable situation, the financial result was negative for most companies, but this is explained by the increase in medium and long term loans in these companies.

A better situation in the financial activity has Alum Tulcea SA recording positive values in the financial result, although we're talking about a decrease in 2010 compared to 2009, the decrease is recovered in the following year.

The same can be said for ArcelorMittal society where financial result is positive, decreasing in 2009 compared to 2008, as well as the situation is the same in 2011 compared to 2010.

Regarded as a whole the five companies industriale activity can be expressed through indicators in the table below:

Table no. 2 Overall profitability indicators

Indicator		2008	2009	2010	2011
Global level					
Rbexerc.	Alum SA	11.263.202	10.261.356	2.993.075	4.741.715
	Arcelomittal	2.185.766	-138.812.467	64.461.539	19.811.164
	Alro	310.652.202	84.867.097	193.026.183	280.181.996
	Aromet Buzău	659.466	882.624	2.714.625	2.698.331
	TMK Artrom	-64.485.350	-33.307.801	-10.865.086	67.503.261
EBIT	Alum SA	11.416.132	10.327.454	3.088.754	4.762.302
	Arcelomittal	7.404.827	-131.281.996	75.369.034	19.885.270
	Alro	337.582.343	117.686.248	220.030.063	368.113.850
	Aromet Buzău	2.511.165	3.206.923	4.918.380	4.812.073
	TMK Artrom	-23.572.823	6.144.967	29.054.798	301.213.878
EBITDA	Alum SA	13.952.475	16.112.393	6.244.448	9.631.305

	Arcelomittal	27.950.543	-113.184.204	97.919.331	39.374.000
	Alro	433.181.081	215.537.357	314.654.804	456.045.704
	Aromet Buzău	4.099.498	4.939.040	5.692.915	6.573.158
	TMK Artrom	-5.490.744	23.692.309	49.298.255	330.365.468
Rnexerc.	Alum SA	9.567.401	8.353.842	2.329.113	3.683.071
	Arcelomittal	2.185.766	-138.841.134	-64.493.789	-19.811.164
	Alro	247.226.957	78.216.767	159.781.849	228.309.982
	Aromet Buzău	522.066	547.744	2.295.029	2.310.909
	TMK Artrom	-64.485.350	-33.336.468	-10.897.336	67.503.261
CAF	Alum SA	12.256.674	14.204.879	5.580.486	8.572.661
	Arcelomittal	22.731.482	-120.743.342	-41.943.492	-322.434
	Alro	339.332.530	162.804.158	263.453.859	315.502.356
	Aromet Buzău	2.110.865	2.280.251	3.070.178	4.075.189
	TMK Artrom	-5.490.744	23.663.642	49.266.005	123.078.454

Source: Authors creation

The gross result indicates that these companies were affected by the economic crisis global financial situation to improve in 2010 as in 2011 ArcelorMittal, Aromet and TMK Artrom well above the values recorded even in 2008.

Depreciation policy also plays an important role, as they are important industrial enterprises in tangible terms, the difference between EBITDA and EBIT is proof of this.

Net result for the year is favorable only 2 of the 5 companies namely Alro Industrial and AROMET which is up from one year to another, if Alum SA and TMK Artrom, although there is also an increase from one period to other, the net result for the year is negative.

Self-financing capacity is positive and increasing from one period to another if AROMET and TMK Artrom, but by looking at its composition, we see that only if the increase is due to AROMET net result favorable to the self-financing capacity Artorm high due to the amortization and provisions.

The risks of these enterprises were determined through operating leverage coefficient for operational risk and financial leverage for financial risk. The results were also presented in tables on individual companies, as follows:

Table no. 3 The operating leverage factor

Company	CLE			
	2008	2009	2010	2011
Alumi SA	-11,45	1,32	2,58	4,83

Arcelormittal	5,43	7,09	-0,55	-1,69
Alro	12,73	2,7	12,87	1,15
Aromet	10,26	-0,0029	0,709	-0,223
Artrom	-0,89	2,14	9,12	2,53

Source: Authors creation

Table no. 4 The financial leverage coefficient

Company	LF			
	2008	2009	2010	2011
Alumi SA	1.34	0.44	0.28	0.24
Arcelormittal	1.07	1.62	1.75	0.45
Alro	0.51	0.53	0.54	0.52
Aromet	0.31	0.55	0.73	0.60
Artrom	4.11	1.61	1.68	1.11

Source: Authors creation

Analyzing the risk of exploitation in society Alum notice that the operating ratio tends to improve from one period to another, this meaning that in terms of operating activities is not subject to major risks throughout this period.

Unlike financial leverage ratio is decreasing operating leverage from period to period due to the increase in this ratio debt capital structure, the situation became alarming in 2010. ArcelorMittal society at risk of exploitation situation is not exactly a positive one, operating leverage ratio recorded since 2009 very high values to the normal situation in the coming years even take negative values, this being due to declining operating results from one year to another.

In terms of financial risk the company is better than Alum SA, financial leverage with satisfactory values, just last year he has a sharp drop from the previous period. The company Alro operating leverage ratio reaches a very high level in 2008 and 2010, its decline in the coming years is quite sharp.

Financial leverage could say that remains approximately constant with small fluctuations from one year to another. Alro society situation is assessed in terms of risks as one positive throughout this period, the risk being at the limits of normality.

Alarming situation and the high risk operating activities is where Aromet company found in 2009 and 2011, years in which coefficient has negative operating leverage. Financial leverage of the company is growing from year to year, which means the decrease of the share of debt in the capital structure in this society..

Of operations and growth in turnover from year to year has increased operating leverage, reducing the risk that the company Artrom. Coefficient peak operating lever is in 2010 when it reached 9.1235, the years 2009 and 2011 were similar in terms of the level of this factor. Financial leverage decreases from year to year due to lower both debt and equity, appreciating the situation as favorable, however this time the company Artrom.

The research paper ends with a correlation between the main operating and financial indicators, namely operating and financial leverage ratio. Correlation index is the

index used in SPSS Pearson. The results from these correlations have also been centralized in SPSS in a table as follows:

Table no. 5 Correlations of the main indicators of the operating and operating leverage factor

Corelation	Alum SA Tulcea	Arcelormittal	Alro	Aromet	TMK Artom
<i>EBE - CLE</i>	<i>-0,894</i>	<i>0,825</i>	<i>-0,479</i>	<i>-0,751</i>	<i>0,596</i>
SIG.	0,011	0,017	0,052	0,025	0,04
<i>Rexpl - CLE</i>	<i>-0,828</i>	<i>0,706</i>	<i>0,178</i>	<i>-0,961</i>	<i>0,196</i>
SIG.	0,017	0,029	0,822	0,039	0,804
<i>EBIT - CLE</i>	<i>-0,734</i>	<i>0,151</i>	<i>0,086</i>	<i>-0,912</i>	<i>0,028</i>
SIG.	0,027	0,085	0,091	0,049	0,097

Source: Authors creation

Table no. 6 Correlation between financial results and financial leverage in the companies studied

Corelation	Alum SA Tulcea	Arcelormittal	Alro	Aromet	TMK Artom
<i>Rf - LF</i>	<i>-0,954</i>	<i>0,386</i>	<i>-0,312</i>	<i>0,804</i>	<i>-0,94</i>
SIG.	0,046	0,061	0,037	0,02	0,042

Source: Authors creation

The work could not be done without disconnecting briefly the content, conclusions on the profitability and risk of the main companies of the metallurgical industry in Romania: Alum Tulcea SA, ArcelorMittal Hunedoara SA, Alro Slatina AROMET Buzau and TMK Artrom.

5. CONCLUSIONS

Profitability and risk analysis of the first companies in the steel industry of Romania, allowed us some conclusions we can say on this important industry.

Of profitability analysis we can say that if these companies have incurred losses during the next financial and economic crisis.

Was a decrease in sales volume in 2009 compared to 2008, decreased played through the level and turnover analysis as a first indicator of profitability. The only exception in terms of turnover has Aromet at the company turnover is growing.

The commercial margin notes facilities granted by these firms clients, they prefer to lose a certain period of time, such as during the first two years Aromet and TMK Artom the last three years, just to save their customer portfolio.

Value added as an indicator of profitability has also fallen from one period to another, and this is explained with the decrease in production volume produced and the lower margin business.

Result from operating activities shows that this industry was clearly affected in the two years 2009 and 2010 financial and economic crisis, only at the end of 2010 the situation seemed to improve.

Gross operating surplus analysis shows that the metallurgical losses begin to be recovered in 2010, when this indicator starts recording values increasing in most cases is significantly increased in value over the value in 2009.

The financial activity is a decrease from one year to the next financial result, this being due to loan growth both short and medium term and long term.

On global industrial activity of these companies is affected from one year to another, the most difficult year for most of the year 2009, where some indicators such as EBITDA and CAF depreciation policy plays an important role, contributing to two indicators.

Operational risk level is high for companies Aromet and ArcelorMittal it reached negative values in the years immediately following 2008. For other companies the situation is favorable although there are times when operating leverage coefficient approaches the level 0.

Pearson correlations performed with SPSS type indicates that where mining activity is strong and inverse correlation to companies Alum SA and Aromet, the strong correlation in case ArcelorMittal, and weak correlation for Alro and TMK Artrom.

The financial activity is a strong correlation between financial leverage and financial results in 3 of the 5 companies namely: Alum SA, Aromet and TMK Artrom. In case TMK Artrom and Alum is a strong and inverse correlation.

Regarded as a whole we can say that our country metallurgy was also affected by the financial and economic crisis than other industries but it presented a more favorable level of profitability, maintaining the level of risk at favorable in this industry.

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