

BON PREU¹

1. INTRODUCTION

The Bon Preu Group is the result of a long history of development in the world of retailing in Catalonia. Two brothers, Joan and Josep Font continued running the codfish shop that their parents founded. Initially, this business was run in squares and markets, but as time went by the two brothers have transformed the company into a food distribution group still maintaining the characteristics of the family oriented Catalan company they inherited from the Font and Fabregó family. These principles are the same as they were from the beginning and they represent Bon Preu's differential features in the market. Thanks to its vocation to trading, the company has always had a real feel of what consumers need. Bon Preu reacted quickly to changes, has constantly invested in innovation and has always maintained its own identity values. Figure 1 shows its main milestones in chronological order. It is currently the most important company in Osona (Barcelona).

- 1974** Opening of the first point of sale (self-service) in Manlleu
- 1984** First company in Catalonia to implement cash registers with scanners
- 1988** First Catalan company to open a hypermarket in Catalonia
- 1992** Acquisition of the company Vallès Preu SA, with its 6 points of sale.
- 1992** Supply of all foodstuffs for the 1992 Barcelona Olympic Games
- 1995** Opening of the first Esclat oil petrol station in the town of Malla.
- 1995** Acquisition in Balenyà of 127,000 metres of land for the logistics city.
- 1999** Launch of customer card and loyalty program
- 2001** Launch of the first Bon Preu own brand products on the market.
- 2001** Acquisition of 12 Carrefour outlets
- 2002** First CSR report according to GRI Global Reporting parameters.
- 2006** CONSUMER SPACE (BCN) for the interaction with customers and suppliers.
- 2010** Acquisition of 31 Intermarché outlets
- 2012** Launch of the Iquodrive brand (e-commerce)
- 2017** Reaches 126 Bonpreu supermarkets, 47 Esclat supermarkets, 43 petrol stations, 10 BonpreuEsclat collection points and 5,630 employees (full-time equivalent).
- 2018** The online sales line is now called BonpreuEsclat
- 2019** Joan Font buys 50% of the company's shares from his brother Josep Font for 305 million euros, taking control of 100% of the shares.
- 2020** BonpreuEsclat Energia is launched to sell electricity. Reaches 132 Bonpreu supermarkets, 59 Esclat supermarkets, 55 petrol stations, 19 BonpreuEsclat collection points and 7,922 employees (full-time equivalent).
- 2021** Expansion of the automation of the dry storage warehouse and start-up of the reverse logistics platform

Figure 1. Main milestones in the history of the Bon Preu Group.

¹Case written by Oriol Amat and Pilar Soldevila, Universitat Pompeu Fabra and UPF Barcelona School of Management. The authors would like to thank Bon Preu Group for the information provided and, especially, Joan Font and Pere Anglada. A first version of this case was published in 2010 in Revista de Contabilidad y Dirección, n.º 12. Updated version with the collaboration of Pilar Lloret in July 2021.

2. MISSION, VISION AND VALUES

Despite being a family business, Bon Preu has adopted a strategic thinking approach and developed a mission, vision and values statement:

Mission

We are a Catalan organization of familiar roots committed to the citizens and its territory. We developed our activity in the Catalan market with the desire to help and to provide the maximum satisfaction to our citizens with respect to price, service and quality of the product on a day to day basis.

Vision

We seek to create wealth in the short and long term with the desire to contribute to the development of a sustainable environment where to carry our activities. Through an ethical business approach, we want to continue working through our traditions of willingness to serve and to grow. Traditions that allowed us to reach the entire territory and to be aware of the needs of our customers.

Values

Our values constitute our vision for the future and our commitment to contribute to the development of a sustainable society:

- **Honesty and trust.** It is being sincere in everything, admitting your mistakes, respecting and complying with the internal rules of the group.
- **Will to grow.** It is the spirit that allows us to face challenging situations. The willingness to serve our internal and external customers.
- **Professional development.** It is the improvement of our professional skills, so we can grow professionally.
- **Positive attitude.** It is to act constructively, always willing to improve and provide solutions.
- **Team awareness.** It is being clear about belonging to a team and putting the team's objectives above the individual ones.
- **Pragmatism and efficiency.** It means to have common sense and clear ideas to achieve results quickly and efficiently.

This strategic view has been carried out and agreed upon in an open process with the staff, represents the pillars on which the Bon Preu business model is based, as described below.

3. CORPORATE STRUCTURE

The Bon Preu Group is made up of several companies (see figure 2). For the consolidation process of the group, the following companies are considered:

- **Full consolidation method:**

- **Baloo de Inversions, SLU:** It is a holding company and its only activity consists of holding and managing its shares.
- **Bon Preu Holding, SL:** This is a holding company that also provides consulting services.
- **Bon Preu SAU:** is the main company of the group. It manages the supermarkets, hypermarkets and petrol stations.
- **Gesdip SAU:** is a holding company. It buys buildings and parking spaces and rents them to other companies of the group.
- **for Interbacaco SLU:** It performs sales management services and real estate activities.
- **Equity method:**
 - **Ola Capital SCR:** venture capital investments.

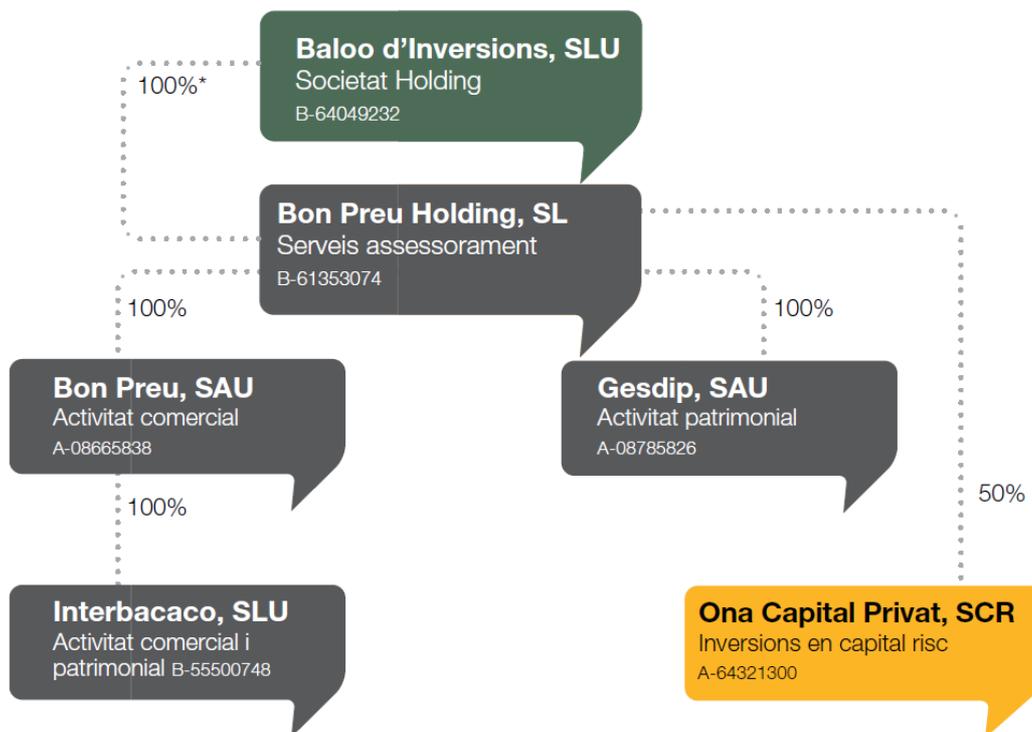


Figure 2. Companies and shareholdings of the Bon Preu Group.

4. DIFFERENTIAL CHARACTERISTICS OF THE BON PREU GROUP

To analyze Bon Preu's key success factors, it is fundamental to look at its differential features:

Family business: Up until 2019 the Font brothers owned all the company's equity. Although over the years they have received several offers to sell part or all of the shares, they firmly refused them. Joan Font is the president and general manager of the company. Unlike other family businesses that limit their growth by not betting on

professionalization, Bon Preu has been professionalizing its management for years. In July 2019, Joan Font acquired 50% of the shares from his brother Josep.

Catalan company: its market is Catalonia and there is a strong commitment to the territory as demonstrated by its Catalan language policy. Moreover, it is the distribution chain with the highest percentage of products of Catalan origin, which exceeds 68% of the products' selection.

Social commitment: this commitment is expressed through collaboration agreements to sponsor music cycles, theatre foundations, to support initiatives to help the Third World, and to develop marketing campaigns of Fair Trade products. Bon Preu was the first large food distribution chain to sell Fair Trade products. The group has a sustainability report prepared according to the guidelines of the Global Reporting Initiative. Furthermore, the Bon Preu Group works to strengthen the links with the socio-economic reality of the surrounding community. For example, the agreement signed with the Catalan Federation of PDO's and PGI's, The Catalan Federation of Protected Designations of Origin and Protected Geographical Indications brings together the 17 regulatory councils with the European seal of quality food in Catalonia. Other examples are the solidarity rounding to help social initiatives, which has raised 820,000 euros in 2020, and the collaboration with the Food Bank (586,621 kilos in 2019) among others.

Effort and sacrifice: Bon Preu's Success is the result of years of hard work. For example, the Management Committee meets every Saturday morning from 10 am to 3 pm. Joan Font remembers: *"When I was 9 years old, my father woke me up at 5 in the morning to go and set up the stall in the market before i could go to school"*.

Long-term orientation: the group sets its strategies always thinking in the long term but ensuring that the short-term objectives are appropriate. All of the companies' earnings are reinvested in order to be as competitive as possible in an increasingly complicated sector where size is a key success factor.

Innovation: it was the first fully Catalan owned group to open a hypermarket (1988). It allowed customers to pay for their purchases in pesetas during the transitional period before the adoption of the Euro. This move allowed thousands of new customers to enter Bon Preu's stores. Another example of innovation is the automated, employee-free petrol stations, which guarantee lower prices. In the field of sustainability and environment, the Bon Preu Group has been leading a number of initiatives in the FMCG sector for a decade. It was the first group to introduce the first biodegradable bag (2006), and to encourage its reuse with the campaign *"Better than a plastic bag"* (2008), which allowed a 40% reduction in the usage of plastic bags. In 2010, it launched a campaign to become the first "porex-free" chain. In 2011 it opened the new Esclat de Malla, the first shopping centre in Catalonia with the A certificate for energy efficiency.

In 2017, it inaugurated the new logistics centre in Hostalets de Balenyà, a 23,000 square metre warehouse specialising in fresh products through which the business group expects to double its turnover in ten years. This building is the largest photovoltaic self-consumption building in Catalonia, with a roof covered by approximately 2,500 solar panels. It currently has 21 photovoltaic plants, 8 for sale on the electricity grid and 13 for self-consumption.

Multibrand: unlike other companies in the sector, the group has several brands:

Bon Preu: it is the brand of the establishments with surfaces between 400 and 1500 square meters in which the fresh products sections stand out (butchery, fruit, bakery...). This is in addition to a wide array of products in different sections.

There are 133 establishments located mainly in urban areas, distinguished by a sober design, comfort and excellent customer service. You can find a wide range of products, mainly fresh products including organic products and products at km. 0.

Esclat: it is the brand of the establishments with the largest sales areas (between 1,500 and 6,000 square metres) which include a parking space for customers. There are 58 Esclat hypermarkets located in areas that attract a large number of customers, mainly families and heavy-load shopping. Esclat dispose of a wide range of products, including a basar and a wide range of fresh products and related services (fish baking oven, home-made pizza oven, fruit area, sushi stop, etc.). Loyalty card offers are also prevalent here.

Esclatoil: it already counts 56 petrol stations, normally located next to Esclat and Bonpreu stores. The petrol stations offer top quality products at the lowest prices on the market.

BonpreuEsclat: at the end of 2012, the group launched the first online store with a collection point (the first of its kind in Spain). This service allows customers to make their purchase at any time of the day, seven days a week and to pick it up without getting out of the car. All of it with the same array of products, service and quality of a Bon Preu supermarket. In 2021, the Group already counted 19 BonpreuEsclat collection points. By September 2021 it will also be making home deliveries in 38 Catalan towns and cities.

BonpreuEsclat Energía: provides electricity marketing services.

Wide range of fresh and speciality products (meat, fruit, cheese, sausages, fish and bakery products) and packaged products: the company is committed to a model that allows the consumer to choose from a wide range of products and brands at highly competitive prices. Quality is one of the aspects that is most taken into account, which is fundamental for the fresh products strategy. Another aspect is the importance given to the local producers. Great value is attributed to the fact that the meat comes from the country, the fish comes from our coasts, and fruit and vegetables come from Catalan production areas.

Large number of references: Bon Preu's number of references is 12,500, much higher than many of its competitors. For example, Mercadona offers 8,000 references and Lidl, 3,000.

Price-quality: Bon Preu's commitment to maximum quality does not affect the importance of its price objective.

In-house manufacturing: the company maintains its own production of some bakery and meat products.

Customer card: since 1999 until today, Bon Preu has introduced and promoted the common customer card in the Bonpreu, Esclat and Esclatoil brands, which has innovative advantages compared to other models. The promotion of savings with discounts, promotions and immediate or deferred savings are at the basis. However, the card allows customers to be linked to the various social projects that the group carries out throughout the year. In short, the card aims at personalising the relationship with Bon Preu's customers as much as possible by adapting to the needs of each customer's profile. There are currently more than one million active cards. The Group considers this to be its most

important asset. In fact, it treats it with the utmost care, not only by respecting the Data Protection Regulation, but also by managing communications with customers in a prudent manner without sending too many communications and advertisements.

Bon Preu products: The Group has chosen to give to its private label products the name of the company, as a sign of its commitment to safety and quality. At the moment there are more than 1,400 references in the different sections of the supermarkets of the three existing brands. When selecting the products of these brands, priority is always given to quality, although, obviously, all of them have an economic price (approximately 30% less than the manufacturer's product of similar quality). Additionally, the Group has some exclusive brands such as "Terra i tast" for ready meals or "Turó de l'Home" and "Matagalls" for beers.

Human resources: 98% of the staff have permanent contracts and 2.3% of the staff are disabled. The Group has established an Equality Plan for Women and Men and 77% of the positions of responsibility are held by women. Since 2005 the company has had the Professional School of Commerce and invests more in training than the average company in the sector. Remuneration is also above the average of the sector. Absenteeism has fluctuated over the years and it is usually below the average of the sector.

Relationship with suppliers: Historically, the Group has sought long-term relationships with its suppliers and has maintained a relationship with many of them for decades. The group bases the relationship with the supplier on the innovation and continuous improvement of the products.

Investment at the limit of growth capacity: risks are well controlled. However, the investment volume would be in the upper range of what can be invested each year according to the cash flow generated. This investment policy is based on reinvestment of profits and leverage.

The Bon Preu Group's priority is customers' satisfaction, so the shopping experience should be the best to meet the customers' needs. This requires a specific combination of products of high quality, a wide range of fresh products, a design of the establishments where comfort predominates, proximity to the surrounding environment (product and direct actions with local agents), and a strong desire to serve the customers. All of this requires a certain level of managerial complexity that the group is always trying to simplify to keep the company highly competitive.

5. ASSESSMENT OF BON PREU IN RELATION TO THE COMPETITION

To achieve excellence, Bon Preu relies on tools such as continuous improvement teams, suggestion systems and different elements of artificial intelligence that allow to achieve a high level of customers' satisfaction. In all the OCU customers' satisfaction studies, Bon Preu has been in the first place as the best valued supermarket chain in Spain. This high recognition is achieved through the distribution of high quality products, especially fresh products, a competitive price policy, and an excellent costumers' service. Another very important and highly valued point for Bon Preu is its store design, order and cleanliness are the keywords as can be seen in the following table with the classification of the 2020 survey.

	Confort de l'interior del supermercat (amplitud, il·lum...)	Facilitat per trobar els productes	Reposició de productes que fallen a les estanteries	Facilitat per comprar tot en el mateix local	QUALITAT DELS PRODUCTES			Disponibilitat de productes de marques diferents a les del super	Temps d'espera a les caixes	Preu dels productes de marca pròpia	Preus en general	SATISFACCIÓ GLOBAL
					Carb. fresca	Fruïtes i verdures	Productes de la marca pròpia					
▶ BONPREU	89	86	83	85	81	79	82	84	79	80	77	85
▶ ESCLAT	90	86	85	87	84	81	79	87	83	79	72	84
PLUSFRÉSC	83	84	83	82	82	83	80	84	85	79	73	84
BONÀREA	73	84	82	70	85	73	85	61	77	85	82	84
CONSUM	83	80	80	81	77	75	77	81	77	79	77	82
ALDI	83	79	77	71	74	76	83	61	72	81	79	82
COSTCO	82	79	79	76	86	83	84		77	85	77	82
HIPERCOR	88	82	81	89	84	80	80	89	72	75	68	82
ALIMERKA	80	85	80	79	83	77	75	80	79	78	77	82
EL CORTE INGLÉS (Super.)	85	79	80	87	85	81	79	86	72	77	68	81
ALCAMPO (Hipermercado)	84	78	76	85	73	71	73	85	72	78	79	81
LIDL	79	76	71	70	71	73	82	58	64	82	80	80
SUPERCOR	81	81	75	79	83	79	75	83	75	76	67	80
AHORRAMÁS	77	80	78	76	80	77	74	74	72	76	74	80
GADIS	78	79	79	81		76	71	82	74	76	74	80
FROIZ	77	80	76	75	86	73	76	79	77	79	74	80
MERCADONA	83	80	77	77	70	71	82	54	75	80	76	80
HIPER USERA		80	78	78	77	72	76	84	77	77	77	80
ALCAMPO (Supermercado)	81	77	73	80	72	71	72	80	71	76	75	79
E. LECLERC	84	76	73	83	76	69	71	82	70	78	73	79
BM COMPLET/BM URBAN	79	79	77	78	83	79	74	80	74	74	69	79
CONDIS	74	80	78	74	76	70	74	74	74	73	69	78
HIBER	81	82	82	76	85	75	72	80	78	78	69	78
COVIRÁN	68	77	76	66	81	74	72	73	78	78	73	78
LA DESPENSA	77	78	78	77	75	76	70	78	72	79	72	78
SPAR	75	79	79	74	80	75	75	77	79	77	72	78
EROSKI (Hipermercado)	81	79	74	83	76	71	75	80	71	75	71	78
CARREFOUR (Hipermercado)	83	75	71	85	73	71	74	84	72	76	73	77
UNIDE MARKET	75	78	73	73	80	73	70	73	73	72	65	77
HIPERDINO	79	79	78	76	76	72	69	75	71	73	73	77
EROSKI CENTER/CITY (Super.)	75	78	74	75	76	73	77	78	72	77	72	77
LUPA	76	78	77	76	75	69	72	74	72	76	71	77
LA PLAZA DE DIA	73	73	67	67	72	67	70	67	69	72	73	76
CAPRABO	80	79	71	75	73	70	75	78	72	76	71	76
CARREFOUR MARKET (Super.)	78	74	71	75	73	70	72	75	69	74	70	75
MÁS Y MÁS	75	76	73	72	81	70	67	74	72	74	71	74
DIA MARKET / DIA MAXI	71	75	64	66	67	67	73	68	69	78	75	74
SUPERSOL	72	77	71	71	70	66	66	72	67	72	70	73

6. SECTOR TRENDS

Bon Preu's business model is designed to respond to the needs of its customers. Figure 3 summarises some of the main trends observed in the sector.

New buying culture

Real fall in purchasing power plus lack of confidence.

New purchasing culture: useful and thoughtful.

Demand for low price: increased consumption of medium and low-end products, to the detriment of high-end products.

Multi-channel and transversal: customers buy both *premium* and *low-cost* products. Moreover, they buy both online and in the physical stores.

More fluctuating buying habits.

Importance of emotions in the shopping experience.

Convenience and comfort: people are increasingly demanding products that are practical and require little work.

Healthy: they are also increasingly demanding healthier products (organic, vegetarian, vegan, without ingredients such as palm oil, gluten, sugar, with fewer additives, etc.).

New sales culture

Importance of the brand as a guarantee: product, distribution, channel.

Coexistence offering *low-cost* and *prime* products in the same store.

The store as a laboratory to observe the customer and make his life easier.

Integration and cooperation with suppliers.

Interaction with the customer-prosumer (the one who is involved in the design of the product or service).

Multichannel: physical store, online, mobile device, social network...

Corporate Social Responsibility (CSR) policies are gaining importance.

Ecological or environmental scope: Green-retail, good environmental practices, local products...

To serve minority groups: gluten-free products, gluten-free products, etc....

People: conciliation, emotional salary, encouraging project, future and full of opportunities?

Source: Observatori del Comerç i dels Serveis de la Generalitat de Catalunya
(www.gencat.cat/diue/ambits/comerc/observatori/index.html)

Figure 3. New trends in the culture of buying and selling.

7. THE RESPONSE TO THE CRISIS

The global economic crisis experienced from 2008 onwards led to a fall in consumption and a greater importance of price in customers' purchasing decisions. Generally speaking, the sector reacted by reducing costs and sales prices. Bon Preu acted quickly by further strengthening its business model:

1. Keeping costs as low as possible
2. By strengthening the strengths of its model such as products assortment (the Group increased the number of items available to customers), convenience (renovation of floors to gain space for the customer) and customer service and attention. Thus, while other competitors decided to eliminate some 1,000 references to reduce costs, Bon Preu continued to strengthen its business model and increased the number of references to guarantee the consumer's freedom of choice. This allowed to both obtain good conditions from suppliers who were losing their presence in other companies in the sector and to gain attractiveness for the customers.
3. During the crisis, while other companies started divestment processes, Bon Preu has continued to grow, opening new stores and making acquisitions, such as Intermarché in 2010. With this acquisition, Bon Preu went on to incorporate 31 more stores. This operation had some particular features:

Financing: The financing of the operation was basically done with a long-term debt granted by the seller itself (the French multinational Intermarché). Although the increase in debt that this operation represents for the Bon Preu Group was significant, it is important to take into account the group's capacity to generate cash flow. It is important to highlight the fact that the Group was able to forecast with a serious and realistic business plan the evolution of cash generation by incorporating 30% more turnover. This allowed to design the appropriate financing structure that would not only absorb the largest volume of investment made up to that time, but would also allow the group to continue growing with the usual organic growth operations.

The median interest rate on the Group's financial debt at 2020 is 0.81% per annum, which is lower than the market's average.

Divestiture: Given the group's vocation to operate only in Catalonia, once the acquisition was made, the 26 establishments located in other autonomous communities were sold. The sale was made mainly to Lidl, Día and Mas y Mas. Among the reasons behind this decision, there is the idea that business model is designed with the Catalan consumer in mind, so the company believes to not be ready yet to make the leap in other territories.

In July 2019, according to the price reported in the Group's financial statements, Joan Font acquired 50% of the group's shares from his brother for 305 million euros. Some media claim that the negotiation started with a purchasing offer of 210 million euros by Joan Font and an initial counter offer from Josep Font of 550 million euros.

Since 2020, when the coronavirus pandemic made its appearance, the Bon Preu group continued to bet on growth.

The audited and consolidated financial statements of the Bon Preu Group and various ratios are attached as annexes. The audit reports have a favourable opinion with no exceptions.

It is requested:

1. To carry out an economic-financial diagnosis of the Bon Preu Group at the end of 2010.
2. Carry out an economic-financial diagnosis of the Bon Preu Group at the end of 2015.
3. To carry out an economic-financial diagnosis of the Bon Preu Group at the end of 2020.
4. To evaluate the strategy adopted in response to the crises.
5. Identify possible recommendations.

	2010	%	2015	%	2019	%	2020	%
Non-current assets ²	364.140.915	77,97%	502.023.707	89,47%	902.324.923	83,72%	961.127.089	84,43%
Stocks (*)	41.296.821	8,84%	43.538.650	7,76%	61.023.769	5,66%	67.118.445	5,90%
Clients (*)	438.425	0,09%	399.765	0,07%	1.082.134	0,10%	1.572.413	0,14%
Other Debtors (*)	1.268.587	0,27%	836.105	0,15%	3.369.179	0,31%	1.504.534	0,13%
Temporary Financial Investments	30.551.968	6,54%	701.592	0,13%	1.073.932	0,10%	2.091.397	0,18%
Other current assets (*)	12.605	0,00%	0	0,00%	79.254	0,01%	55.409	0,00%
Available ³	29.327.085	6,28%	13.589.924	2,42%	108.840.521	10,10%	104.913.914	9,22%
Current assets	102.895.494	22,03%	59.066.036	10,53%	175.468.790	16,28%	177.256.113	15,57%
Total assets	467.036.409	100,00%	561.089.743	100,00%	1.077.793.713	100,00%	1.138.383.202	100,00%
Own funds	80.410.311	17,22%	176.416.452	31,44%	214.185.612	19,87%	280.154.694	24,61%
Benefit	25.410.853	5,44%	42.085.743	7,50%	21.743.276	2,02%	62.123.590	5,46%
Long-term loans	182.087.191	38,99%	104.752.864	18,67%	263.104.935	24,41%	268.345.919	23,57%
Other long-term debts	16.378.259	3,51%	15.712.526	2,80%	184.397.391	17,11%	161.332.514	14,17%
Non-current liabilities	198.465.450	42,49%	120.465.390	21,47%	447.502.326	41,52%	429.678.432	37,74%
Short-term loans	37.653.440	8,06%	44.674.224	7,96%	108.802.168	10,09%	104.282.007	9,16%
Suppliers (*)	102.347.254	21,91%	140.089.485	24,97%	283.546.107	26,31%	299.848.774	26,34%
Other short-term debts (*)	22.749.098	4,87%	37.358.449	6,66%	23.757.500	2,20%	24.419.294	2,15%
Current liabilities	162.749.793	34,85%	222.122.158	39,59%	416.105.775	38,61%	428.550.075	37,65%
Total liabilities + Shareholders' equity	467.036.409	100,00%	561.089.743	100,00%	1.077.793.713	100,00%	1.138.383.202	100,00%

Figure 4. Consolidated balance sheets of the Bon Preu Group from 2010 to 2020.

² There are properties acquired over the last thirty years that amount to important capital gains (200 million euros) that have not been accounted for due to the prudence principle.

The current assets and liabilities marked * are necessary for the operations. The minimum necessary available funds must be added (see note below).

³ It is estimated that the minimum available funds required (cash plus temporary financial investments) to operate normally is around 10 million euros.

	2010	%	2015	%	2019	%	2020	%	Media sector 2019	Media industry 25% more ROI 2019
Income	724.078.669	100,00%	1.082.390.098	100,00%	1.637.509.869	100,00%	1.789.043.397	100,00%	100,00%	100%
Consumption	-534.437.544	73,81%	-829.082.325	-76,60%	-1.234.740.477	-75,40%	-1.301.168.100	-72,73%	-75,14%	-74,56%
Gross margin	189.641.124	26,19%	253.307.773	23,40%	402.769.393	24,60%	487.875.296	27,27%	24,86%	25,44%
Staff	-78.757.834	10,88%	-99.126.400	-9,16%	-181.676.530	-11,09%	-209.108.166	-11,69%	-12,42%	-11,48%
Depreciation	-15.287.301	2,11%	-25.844.496	-2,39%	-58.395.351	-3,57%	-73.988.128	-4,14%	-2,17%	-1,93%
Other operating expenses	-60.264.868	8,32%	-66.429.900	-6,14%	-92.768.945	-5,67%	-104.119.996	-5,82%	-8,59%	-7,17%
Impairment of real estate ⁴			-323.931	-0,03%	432.892	0,03%	-13.317.477	-0,74%	n.d	n.d
Other results					1.484.071	0,09%	1.570.872	0,09%	n.d	n.d
BAII	35.331.120	4,88%	61.583.046	5,69%	71.845.531	4,39%	88.912.402	4,97%	1,68%	4,73%
Financial income	6.446.621	0,89%	1.974.098	0,18%	283.620	0,02%	3.032.928	0,17%	0,49%	0,28%
Financial expenses	-7.559.979	1,04%	-5.539.700	-0,51%	-6.232.094	-0,38%	-5.793.496	-0,32%	-0,32%	-0,05%
Other financial results					5.208.808	0,32%	-133.081	-0,01%	n.d	n.d
BAI	34.217.761	4,73%	58.017.444	5,36%	71.105.865	4,34%	86.018.753	4,81%	1,85%	4,96%
Tax on profits	-8.806.908	1,22%	-15.931.700	-1,47%	-15.460.629	-0,94%	-23.895.163	-1,34%	-0,56%	-1,11%
Uninterrupted operations					-33.901.960	-2,07%		0,00%	n.d	n.d
Net profit	25.410.853	3,51%	42.085.744	3,89%	21.743.276	1,33%	62.123.590	3,47%	1,29%	3,85%

Note: Source of sectoral averages: ACCID (2019): *Sectoral ratios*, Barcelona.

Figure 5. Consolidated profit and loss account of the Bon Preu Group from 2010 to 2020.

⁴ It should be taken into account that there are properties acquired over the last thirty years that amount to significant capital gains (estimated at around 200 million euros) that are not accounted for in application of the prudence principle.

	2010	2015	2019	2020	Median sector 2019	Medium sector 25% companies with more ROI 2019
Liabilities / Assets	0,77	0,61	0,35	0,33	0,56	0,49
(Net profit + Depreciation and Amortization) / Loans	0,19	0,45	0,22	0,37	1,99	8,97
Net financial debt / EBITDA	1,6	1,1	2,9	2,3	1,1	0,9
Cost of debt (Financial expenses / Loans)	0,03	0,04	0,02	0,02	0,02	0,02
Financial expenses on sales (Financial expenses / Sales)	0,01	0,005	0,004	0,003	0,003	0,0005
Current assets / Current liabilities	0,63	0,27	0,42	0,41	0,77	0,8
(Current assets - Inventories) / Current liabilities	0,38	0,07	0,28	0,26	0,53	0,52
Available / Current liabilities	0,18	0,06	0,26	0,24	0,38	0,41
Apparent working capital (AC - PC)	-59.854.299	-163.056.122	-240.636.985	-251.293.962	n.d	n.d
Necessary working capital (ACE - PCE)	-72.079.914	-122.673.414	-231.749.270	-244.017.267	n.d	n.d
Current operating assets	53.016.438	54.774.520	75.554.337	80.250.802	n.d	n.d
Current operating liabilities	125.096.352	177.447.934	307.303.606	324.268.069	n.d	n.d
Working capital surplus (or deficit)	12.225.615	-40.382.708	-8.887.715	-7.276.695	n.d	n.d
Sales/Assets	1,55	1,93	1,52	1,57	2,4	2,54
Stock lead time (days)	28,2	19,17	18,04	18,83	22,81	24,05
Collection period (days)	0,22	0,13	0,24	0,32	10,95	7,27
Payment term (days)	69,9	61,67	83,82	84,11	59,97	67,85
ROI = BAI/Assets	0,08	0,11	0,07	0,08	0,04	0,12
ROE = Net Profit/ Equity	0,32	0,24	0,10	0,22	0,07	0,19

Note:Source of sectoral averages: ACCID (2019): *Sectoral ratios*, Barcelona.

Figure 6. Main ratios of the Bon Preu Group from 2010 to 2020.