

FINANCIAL HEALTH ANALYSIS OF PUBLICLY TRADED  
INDUSTRIAL COMPANIES

THESIS

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## ABSTRACT

**MORENO, CHERRIE MAY C., NUESTRO, JESSICA LYDIA T., PACASUM, LARRA MARIE D., Financial Health Analysis of the Publicly Traded Industrial Companies.** Undergraduate Thesis. Bachelor of Science in Business Management major in Financial Management. Cavite State University, Indang, Cavite. April 2022. Adviser: Ms. Janice E. Paiton.

The study was conducted to analyze the financial health of the publicly traded industrial companies and to determine its relationship on GDP contribution of the industrial sector from 2014 to 2018. Specifically, it aimed to: determine the financial health position of the publicly traded industrial companies in the Philippines within 5 years in terms of profitability, leverage and liquidity, the financial health of the publicly traded industries using financial distress analysis and asses, the relationship between the financial health position on GDP contribution of the industrial sector.

Companies listed in PSE with continuous contribution from 2014 to 2018 were covered in the study and their audited financial statements were also obtained therefrom.

This was a descriptive correlation and quantitative study based solely on secondary data. Statistical tool such as mean, frequency count and percentage were employed in the study. Financial tools such as profitability, leverage and liquidity were used to describe and evaluate the financial health of companies listed in the Philippine Stocks Exchange and Pearson-r Correlation was also used due to its usefulness in understanding the relationship or association between two continuous variables. Tables and graphs were used in the study as visual representations of the collected data for the financial health of the publicly traded industrial companies and other relevant information.

The results confirmed that there was no significant relationship between financial health of the publicly traded industrial companies such as profitability's return-

on-asset ratio, leverage's debt to asset ratio and liquidity's current ratio to the GDP contribution of the industrial sector from 2014 to 2018.

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# FINANCIAL HEALTH ANALYSIS OF PUBLICLY TRADED INDUSTRIAL COMPANIES

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## INTRODUCTION

The Philippine economy is one of the most dynamic economies in East Asia Pacific region and is mainly contributed by the three major sector- agriculture, service and industrial. Philippine economy is mostly based on food processing, cement, steel and iron production, and telecommunications.

Industrial sector is one of the three important sectors that make up and played a leading role in the Philippine economy. This sector is accountable for almost three-fourth of the Philippine gross domestic product. Philippine industrial sector is mainly contributed by manufacturing industry and focuses within mining and mineral processing, pharmaceuticals, shipbuilding, electronics, and semiconductor areas. Recently, based on the records of the International Monetary Fund, industrial sector's GDP contribution has been decelerating due to the slowdown in investment growth. The agricultural sector employs 25 percent of the labor force yet contributes only 9.3 percent of GDP while the industrial and service sector employs 18.4 percent a