

Irena Kropsz-Wydra



<https://orcid.org/0000-0002-1835-3256> Corresponding Author

dr inż., University of Environmental and Life Sciences, Wrocław e-mail: irena.kropsz-wydra@upwr.edu.pl

Kacper Laski

lic., University of Environmental and Life Sciences, Wrocław

ECONOMIC AND FINANCIAL ASSESSMENT OF A FOOD TRADE ENTERPRISE

ABSTRACT

The purpose of the article. The purpose of the study was to assess the financial situation of Dino Polska S.A. company. To achieve this goal, a research hypothesis was formulated: Dino Polska S.A.'s development strategy guarantees the dynamic growth of the chain and an improvement in its financial situation. The research problem focuses on a comprehensive analysis of the company's actual assets and financial situation and an assessment of changes over the analyzed period.

Methodology. The assessment was performed based on the preliminary economic analysis and ratio analysis, where liquidity, profitability, operational efficiency and debt were evaluated. Time scope of the analysis covered the period 2019-2023, and the data was retrieved from the annual financial statements.

Results of the research. Positive changes in the economic situation result in the good financial condition of Dino Polska S.A. It was shown that Dino Polska S.A. was growing each consecutive year and presented a good financial standing. The company has a clearly planned path of development for the future and systematically pursues its successive goals. Having applied both a safe and responsible financial policy, it secures smooth operations in conducting further business activities, even if unexpected events were to occur. The operational efficiency and debt ratios presented the most favorable values, however, the company needs to work on improving its quick ratio and cash ratio, as financial problems may arise in case of unexpected expenses. It is advisable to maintain timely sales revenues and appropriate inventory turnover within the company, as well as to accumulate cash reserves, which will increase financial security during market fluctuations. This study, which assesses the company's financial situation, identifies potential areas requiring attention. The results of the analysis may be useful to both current and potential investors, market analysts, and the company's management in its strategic decision-making process.

Keywords: economic analysis, financial indicators, food trade

JEL Class: D22, G32, L81



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Introduction

The functioning of an enterprise is becoming increasingly complex. Such a situation is influenced by the rapidly developing market economy, the increasing level of competition, as well as the growing customer expectations regarding a product quality. Progressive globalization and ongoing changes in the economic environment prevent companies from predicting accurately and preparing for what is going to happen in a few or several years. Therefore, coping with all these challenges requires flexibility and making informed decisions, both regarding current and strategic issues. Financial analysis constitutes an important element helping to adapt best to the conditions imposed by the market economy. Its purpose is not only to calculate financial ratios, but most of all to assess the operational efficiency, the asset and financial position of an enterprise, as well as to explain the reasons for changes and opportunities to improve the financial standing.

In the presented study, the Dino Polska S.A. company, which belongs to a nationwide retail network and is a leading player in the continuously growing segment of medium-sized supermarkets, was chosen as a case study to evaluate its economic and financial situation. The selection criterion was the desire to assess changes in the analysis of the economic and financial situation of Dino Polska. The company was previously analyzed between 2017 and 2019 by Martyna Sankowska and Zofia Kołoszko-Chomentowska (2022). Their research became the basis for supplementing this study and understanding the company's financial results in subsequent years.

It is also significant that Dino stands out from Biedronka and Lidl in terms of its product offering, as it boasts a serviced butcher's counter in its stores and operates its own butcher shop. Dino offers approximately 5.000 products, 500 of which are the most price-sensitive, compared to competitors. However, the sales mix is crucial. Dino's expansion model is based on its own real estate. All stores have a standardized format, approximately 400 square meters, and are most often located in smaller and medium-sized towns or on the outskirts of cities. The company rarely leases, which means Dino can also be viewed as a "real estate tycoon" (Kijek 2025, p. 1). At the beginning of 2026, the Polish Dino retail chain comprised 3.033 stores and 3.000 locations, with a total sales area of 1.200.300 m², compared to 1.061.200 m² the previous year. This is one of the fastest growth rates in Polish retail (Wojtal 2026, p. 1).

In the times of growing consumerism, stores are adapting to the needs of customers, at the same time striving to maximize their efficiency, which remains the primary goal of any business. The role of supermarkets has changed significantly over the years. They have begun to expand their availability, focusing not only on locations in large cities, but also in small towns and even in rural areas.

Literature review

Retail trade in Poland is developing very dynamically, undergoing one of the greatest transformations, which is the result of technological progress and changing consumer expectations (Haberla & Waniowski, 2024, p. 20). Various commercial entities operate in the structure of food trade. Jerzy Dietl defines them as “forms of retail trade.” Halina Szulce uses the term in a broader sense than Dietl, referring to both retail enterprises and retail sales outlets and their forms of concentration. J. Chwałek, on the other hand, uses the concept of “types of retail sales outlets” (Dietl, 1991, p. 31; Szulce, 1998, p. 78; Chwałek, 1993, p. 117; Drzazga 2016, pp. 114–115).

According to Szulce, in accordance with the first definition of retail forms, the largest role in this group is played by national integrated retail chains, which come in three organizational and legal forms: purchasing groups, retailer associations, and franchise networks (Kłosiewicz-Górecka 2007, p. 19). In integrated networks, typically created by retailers or with the participation of long-standing and proven suppliers, emphasis is placed on cooperation and the development of partnerships. Coordination and management of the network should be carried out in such a way as to achieve the greatest possible complementary and strategic effect (Otto & Olczak, 2007, p. 183).

Creating interorganizational relationships in the form of network structures has become a prerequisite for building the competitive advantage of modern enterprises (Jarillo, 1988, p. 32; Slupina, 2018, p. 460). Network structures are closely linked to cooperative arrangements. These links encompass all dependencies and relationships between companies and institutions. Cooperative arrangements are designed to meet operational goals, while the goals of network structures are strategic in nature (Gomes-Casseres, 1994, p. 62).

Applying the theory of network organizations to retailing, it can be assumed that a retail chain is a system for selling goods that belongs to a retail chain and has a common owner. A chain of stores is centrally managed. A retail chain typically has a central purchasing department and sells a similar product range across its stores. Centralization allows for the purchase of large quantities of goods at attractive prices (Reformat, 2011, p. 54).

The functioning of business entities in the modern economy requires systematic control along with the assessment of financial phenomena taking place both inside and outside an enterprise. A prerequisite for efficient and effective business operations in the market requires analyzing the achieved economic results using the financial analysis tools (Sankowska & Kołoszko-Chomentowska, 2022, p. 61). In practice, ratio analysis is most widely used to assess the financial condition of an enterprise. Financial indicators and their comparison over time allow determining both strengths and weaknesses of a business financial standing (Bednarski, 2007, pp. 64–70).

The role of financial analysis, as a tool for managing an enterprise and as an instrument to assess its standing, cannot be overestimated. Proper management of a company generating profit and creating value while maintaining an acceptable level of risk reflects a positive assessment of the company financial situation. Financial analysis supports decision-making within a company and contributes to the improvement of economic processes. Its goal is to identify the structure of phenomena and processes occurring in a company's operations, determine their interdependencies, and determine the magnitude and causes of deviations between actual and expected states (Bednarski et al., 2003, p. 11).

Vertical and horizontal analysis of the balance sheet and profit and loss account structure, as well as the ratio analysis, are commonly used to assess changes in the financial standing of an enterprise. Ratio analysis is an example of a research tool using the method of phenomena interdependence (Walczak, 2007, p. 14). According to Pomykalska and Pomykalski (2007) statistical analysis in the analysis of the financial situation of the company complements the preliminary version of financial documents and detailed information on the relationships between control components (p. 66). The groups of indicators used to assess the financial standing of a business have become quite common. The indicators of liquidity, operational efficiency, profitability and debt are included among those most widely used. The results of ratio analysis allow determining the rate and structure of changes, however, they do not provide for an assessment of the causes underlying such a situation. Ratio analysis is a useful tool, but only if the analyst is aware of its limitations, and the calculated indicator is useful when compared against a certain benchmark (Dudycz & Skoczylas, 2014, pp. 55–80; 2015, pp. 71–96; 2016, pp. 70–96; 2017, pp. 74–100; 2018, pp. 62–88; 2019, pp. 57–84; 2020, pp. 67–94; 2021a, pp. 73–100; 2021b, pp. 68–95; 2023, pp. 61–88). It is also emphasized that the results should be interpreted with due caution, which is particularly important when forecasting a given enterprise development trends (Panfil, 2011, p. 479).

Research methodology

The purpose of the article was to assess the economic and financial situation of a selected enterprise. In this case, it was decided to analyze the financial situation of Dino Polska S.A. It is a nationwide network of medium-sized supermarkets, which is characterized by one of the fastest growing chains in the food retail market in Poland in terms of the number of stores and sales value.

To achieve this goal, the article formulates a research hypothesis stating that Dino Polska S.A.'s development strategy guarantees the dynamic growth of its network and an improvement in its financial situation. The subject of the study is an economic and financial analysis of Dino Polska S.A. To verify the hypothesis, basic tools for analyzing data from the company's financial

statements were used. The research problem focuses on a comprehensive analysis of the actual financial and asset status of the company and an assessment of changes in the analyzed period compared to previous periods.

The problem addressed in the study is providing an answer to the following question: what kind of changes occurred in the financial situation of the company during the analyzed period of time, and whether they were positive for the business.

The substantive scope of the study included a preliminary analysis of the economic situation based on determining the structure and dynamics of change in the balance sheet assets and liabilities and also in the profit and loss account (Bednarski, 2007, pp. 64–70). In addition, a ratio analysis was applied. (Wędzki, 2019, pp. 47–57). The spatial scope of the study covered business operations of Dino Polska S.A., whereas the temporal scope of the research referred to the period 2019–2023.

Source materials for the economic and financial analysis were collected using the critical method of document analysis, based on the data retrieved from the company financial statements (Szatur-Jaworska, 2010, pp. 108–110). Descriptive method and comparative analysis were applied to interpret the findings (Kopeć 1983, pp. 166–199; Stachak, 2006, pp. 213–216; Kawa, 2013, pp. 178–180; Michalak, 2016, p. 10). The ratio analysis method was used to assess the financial situation of the company, taking into account liquidity, operational efficiency, profitability and debt ratios (Ćwiąkała-Małys & Nowak, 2001, pp. 62–72; Kowalak, 2003, pp. 49–83; Sierpińska & Jachna, 2004, pp. 145–203; Nowak, 2005, pp. 165–231; Bednarski, 2007, pp. 76–118; Korol, 2013, p. 21; Kołosowska et al., 2018, pp. 71–130). The results are presented in the tables below.

Findings

The preliminary analysis of Dino Polska S.A. financial statements began with examining the structure and dynamics of the individual balance sheet and profit and loss account components. A balance sheet is a document presenting the financial and economic situation of a company at a specific point in the past or forecasting its condition for a specific period in the future (Jantoni-Drozdowska, 2017, pp. 102–132). It is a statement presenting the value of resources at the company's disposal and the sources of their origin (Szymańska, 2007, p. 62). A profit and loss account, in turn, allows the assessments of costs incurred by major items and the revenues earned from various sources, thus ultimately providing a good basis for making economic decisions (Nowak, 2015, pp. 145–153).

The subject of the study was to examine the structure of the most important components included in the financial statement and their dynamics of change during the analyzed period. For

this purpose, the preliminary analysis tools were used, i.e., vertical analysis, which shows the share of a given item in the structure, and horizontal analysis, which presents the dynamics of change regarding a particular item in relation to its value in the previous year. The analysis carried out in this way allowed to assess which components of the report have the greatest impact on the company's financial position. To begin with, the structure of the company assets was examined, the results of which are shown in Table 1. The calculations confirmed that fixed assets had a predominant share in the company total assets, and in particular the tangible fixed assets, which accounted for approx. $\frac{3}{4}$ of total assets. Such a significant share results from the fact that, buildings, machinery, equipment, or vehicles are indispensable for this type of business. The second asset was inventory, which accounts for more than 14% of the structure, and the volume of which has been increasing in Dino Polska S.A. each consecutive year. Inventories went up by more than 10% over the period covered by the study, and at the end of 2023 they accounted for more than 25% of total assets. Their growth is influenced by high consumption recorded in the Polish market. Therefore, a larger inventory volume protects the company against a shortage of goods on store shelves. The share of cash dropped significantly over the period under study. Its balance sheet value amounted to only PLN 218,389 thousand at the end of 2023, which is caused by Poles shifting away from cash payments and switching to cashless transactions.

Dino Polska S.A. reported positive dynamics of change in almost every significant item on the assets side of the balance sheet during the analyzed period. Only the right-of-use assets recorded negative dynamics of change at the end of 2023, and their value decreased by more than 11%. The largest changes in dynamics were observed in the values of current assets which, despite their low share in total assets, reached the highest growth rates. It primarily referred to inventories and trade receivables, where the average annual growth was approx. 40% in the period 2019–2023.

Table 1

Structure and dynamics of change in assets in the period 2019–2023 [%]

Specification	Structure					Dynamics (previous year = 100)			
	2019	2020	2021	2022	2023	2020	2021	2022	2023
Fixed assets	73.91	72.77	72.31	69.94	68.65	126.06	127.86	121.47	113.15
Tangible fixed assets	65.43	67.31	68.51	67.42	66.24	131.71	130.99	123.59	113.26
Right-of-use assets	5.79	3.31	1.95	1.17	0.90	73.30	75.83	75.12	88.95
Intangible assets	2.28	1.78	1.35	1.05	1.11	100.00	97.88	97.72	121.45

Specification	Structure					Dynamics (previous year = 100)			
	2019	2020	2021	2022	2023	2020	2021	2022	2023
Current assets	26.09	27.23	27.69	30.06	31.35	133.63	130.89	136.35	120.19
Inventories	14.34	15.71	19.16	21.98	25.43	140.25	156.94	144.07	133.36
Trade receivables	1.80	1.56	2.01	3.05	3.18	111.14	165.87	190.87	120.23
Cash	9.07	8.62	5.84	4.25	2.10	121.71	87.14	91.42	57.06

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

In the next stage, the structure and dynamics of change in the company liabilities were subjected to preliminary analysis, the detailed results of which are presented in Table 2. The analyzed period showed significant changes in the structure of the main components of liabilities, i.e., total equity and total liabilities. In 2019, their share was approx. 37% and almost 63%, respectively. In 2023, total equity accounted for as much as 54%, while total liabilities for approx. 46%. This is a positive change, as it means that Dino Polska S.A. is reducing its liabilities to external parties relative to its equity. Despite that, it is focused on developing its business intensively, which indicates a very good financial standing of the company. The share of long-term liabilities dropped considerably, by as much as 11% in the structure of liabilities. The calculations of the dynamics of change regarding liabilities for Dino Polska S.A. showed that, except for long-term liabilities, all items of liabilities presented positive dynamics of change. The highest rate of the dynamics of change appeared at the retained profit item, recording a 39% increase in 2023. It is a positive trend which allows the company to grow without the need for external financing. The significant growth in the amount of retained profit over the years supports increasing the financial stability of an enterprise, and also has a positive impact on its market value. A high rate of the dynamics of change was also recorded in the supplementary capital as, at the end of 2023, its value went up by 32% as compared to the previous year.

Table 2

Structure and dynamics of change in liabilities in the period 2019–2023 [%]

Specification	Structure					Dynamics (previous year = 100)			
	2019	2020	2021	2022	2023	2020	2021	2022	2023
Equity	37.29	40.69	42.83	46.69	54.01	139.71	135.46	136.92	133.34
Share capital	0.23	0.18	0.14	0.11	0.09	100.00	100.00	100.00	100.00
Supplementary capital	37.97	37.04	37.77	39.01	44.83	124.89	131.23	129.70	132.46
Retained profit	1.08	3.34	4.82	7.49	9.02	394.91	185.64	195.40	138.76

Specification	Structure					Dynamics (previous year = 100)			
	2019	2020	2021	2022	2023	2020	2021	2022	2023
Total liabilities	62.71	59.31	57.17	53.31	45.99	121.09	124.04	117.10	99.44
Long-term liabilities	19.77	21.96	15.24	12.32	8.61	142.20	89.34	101.50	80.52
Short-term liabilities	42.94	37.35	41.93	40.99	37.38	111.38	144.45	122.78	105.13

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

The profit and loss account of Dino Polska S.A., in the period 2019–2023, was also analyzed, allowing to assess how the specific revenues and expenses affect the financial result of the company. Table 3 shows the structure and dynamics of change in the company revenues. Sales revenues had by far the largest share in total revenues, accounting for approx. 99.90% of total revenues during the period under review. Such a distribution is typical for trading companies, especially grocery stores, for which sales revenues are the main source of income (Martyniuk, 2010, p. 143; Maciejewska, 2018, p. 228).

Table 3

Structure and dynamics of change in revenues in the period 2019–2023 [%]

Specification	Structure					Dynamics (previous year = 100)			
	2019	2020	2021	2022	2023	2020	2021	2022	2023
Sales revenues	99.89	99.89	99.88	99.89	99.91	132.42	131.96	148.19	129.62
Operating revenues	0.10	0.07	0.11	0.08	0.05	100.89	189.05	113.35	82.77
Financial revenues	0.01	0.03	0.01	0.03	0.04	345.10	34.57	455.05	205.07

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

Dino Polska S.A. reported a dynamic growth in sales revenues in the analyzed period, primarily in 2022. It was influenced by high inflation, which occurred during that period and disrupted the sustained value growth of approx. 30% per year. The highest level of dynamics was observed in financial revenues. In terms of the cost structure, the largest share went to costs of goods sold, which amounted to 80% of total costs in 2019–2023. Table 4 shows the detailed results of the structure and dynamics of change related to costs. High level of sales costs is inevitable when running an enterprise such as a grocery retail chain. During the period under study, sales and marketing costs remained at approx. 16% of total costs. Companies experiencing high level of

market competition cannot afford to reduce this form of costs for fear of losing customers and facing a reduction in their income.

In terms of costs, a positive dynamics of change was recorded in the period 2019–2023. The largest increase in costs was observed in 2022, especially in terms of financial costs, which went up by more than 202% compared to 2021.

Table 4

Structure and dynamics of change in costs in the period 2019–2023 [%]

Specification	Structure					Dynamics (previous year = 100)			
	2019	2020	2021	2022	2023	2020	2021	2022	2023
Costs of goods sold	79.86	79.24	79.85	80.46	81.29	130.02	133.45	149.81	131.27
Costs of sales and marketing	16.95	17.57	17.36	16.48	15.97	135.82	130.81	141.16	125.92
General and administrative costs	1.03	1.05	0.93	0.77	0.72	133.94	117.54	122.11	121.31
Operating costs	0.06	0.06	0.12	0.10	0.04	129.10	259.48	122.88	56.45
Financial costs	0.83	0.55	0.37	0.76	0.61	86.27	89.65	302.54	104.26

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

In addition, Table 5 shows the share of total costs as well as cost of goods sold and net profit in relation to total revenues. The data indicates that the level of total costs was stable at 94–95%. It means that total costs accounted for a large share of total revenues, and the company was operating with a small margin. The share of cost of goods sold also showed an upward trend from 75.5% in 2019 up to 77% in 2023. This increase can indicate rising production or sales costs, which can affect the company profitability. Dino Polska S.A. did not incur business losses during the analyzed period, and ended each year with a net profit of approx. 5–6% compared to total revenues. The share of net profit in total revenues declined in the last year of the conducted analysis. This can indicate rising costs that are not fully reflected in revenues which, in turn, suggests that the company may be struggling to control costs or experience problems with rising sales prices.

Table 5

Level of net costs and profits in total revenues in the period 2019–2023 [%]

Specification	2019	2020	2021	2022	2023
Share of total costs	94.63	93.65	93.98	94.29	94.53
Share of costs of goods sold	75.57	74.21	75.04	75.86	76.84
Share of net profit	5.37	6.35	6.02	5.71	5.47

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

Ratio analysis was the next step in assessing the economic and financial situation of Dino Polska S.A. The study focused on four groups of indicators: liquidity, debt, profitability and operational efficiency. They stand for the basic financial indicators which best assess the financial condition of an enterprise and allow to identify irregularities in their functioning. Table 6 presents the detailed values of liquidity indicators for Dino Polska S.A. in the period 2019–2023.

Table 6

Liquidity indicators in the period 2019–2023

Specification	2019	2020	2021	2022	2023
Current ratio	0.61	0.73	0.66	0.73	0.84
Quick ratio	0.26	0.29	0.18	0.17	0.13
Cash ratio	0.21	0.23	0.14	0.10	0.06

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

Financial liquidity is a phenomenon that is subject to constant changes, showing high variability in terms of its magnitude (Babuška, 2018, p. 101), and its possession results from maintaining harmony between expenses and income from various sources (Babuška, 2018, p. 100). It is liquidity, not efficiency, that determines whether a company goes bankrupt (Czerwonka & Jaworski, 2024, p. 202; Talib et al., 2025, pp. 624–619). The level of financial liquidity is one of the key tasks of every company (Pawlik & Kuś, 2025, p. 162), because it determines its current functioning, influences its competitive position and determines the possibility of further existence on the market (Zhu et al., 2025, p. 48).

In 2019, the current ratio for Dino Polska S.A. was quite low at the level of 0.60. A low value indicates possible problems with timely payment of the incurred short-term liabilities. In theory, the liquidity ratio should be greater than 1, and its desirable value ranges between 1.2 and 2.0 (Sierpińska & Jachna, 2004, pp. 147–200). For enterprises, and especially for their owners, such a high ratio is not favorable. In 2023, the current ratio reached 0.84, i.e., a better level, which significantly improved the situation in terms of settling short-term liabilities. Relating the final result of the indicator to the analysis conducted in the years 2017–2019 by Sankowska and Kołoszko-Chomentowska (2022, p. 64), a slight improvement in the value of the current ratio was observed. Meanwhile, the average current ratio for the industry in Poland, in the analyzed years, calculated based on the financial data provided by Statistics Poland reached much higher values at the level of 1.47 (Industry Indicators, 2019–2023).

The value of Dino Polska S.A. quick ratio in the period under review oscillated around 0.2. This result is significantly lower compared to the results of the analysis conducted in the years

2017–2019 by Sankowska and Kołoszko-Chomentowska (2022, p. 64). At that time, the quick ratio was at a slightly higher level of 0.35. For an enterprise, this level of an indicator is a warning signal, because such a low ratio indicates problems if a need arises to cover short-term liabilities using liquid assets. In such a case, the company will be forced to seek other sources of funding. On average, the indicator value was significantly higher in the analyzed years and amounted to 0.84 in the discussed industry (Industry Indicators, 2019–2023).

The company cash ratio over the analyzed period remained at the level of approx. 0.06–0.23. In 2019–2020, there was a higher value than the theoretically correct one, but this it is not a problem, as it does not deter potential investors, and can be interpreted as, e.g., raising funds for investment. Higher level of cash provides the company with some security in case of bad debts from customers. If it does happen, the company will be able to pay its current obligations on time (Garbusewicz, 2014, pp. 337–356). From 2021–2023, the cash level has stabilized at the recommended level. Earlier analysis showed that the cash ratio was higher reaching 0.28 in the years 2017–2019 (Sankowska & Kołoszko-Chomentowska, 2022, p. 64). In the industry, the average value of cash ratio during the analyzed time was also lower reaching the higher of 0.31 (Industry Indicators, 2019–2023).

Debt analysis complements and expands the liquidity analysis, as it includes the level of debt service (installments and interest) and all liabilities. Western standards indicate that debt ratios should range from 0.57 to 0.67, as the balance between borrowed capital and equity is not disturbed (Kožuch & Dyhdalewicz, 2004, p. 264). It is also assumed that approx. 50% of an entity assets can be funded with borrowed capital (Gołębiowski, 2016, p. 193). The values of debt indicators for the analyzed company in the period under study are shown in Table 7.

Table 7

Debt indicators in the period 2019–2023

Specification	2019	2020	2021	2022	2023
Debt ratio	0.63	0.59	0.57	0.53	0.46
Debt-to-equity ratio	1.68	1.46	1.33	1.14	0.85
Long-term debt ratio	0.53	0.54	0.36	0.26	0.16

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

In 2019, the ratio was at the level of 0.63 and this value is considered optimal. It means that borrowed capital was half the amount of equity. In 2023, the debt ratio was already as low as 0.46. It showed that the company was becoming increasingly independent. The level of the ratio, according to the analysis conducted in previous years amounted to 0.68 (Sankowska & Kołoszko-

Chomentowska, 2022, p. 70). The average value of debt ratio for the industry in Poland, in the analyzed years, presented the level of 0.58 (Industry Indicators, 2019–2023).

At the beginning of the analysis, the debt-to-equity ratio for Dino Polska S.A. was 1.68, which far exceeded the suggested optimal value of less than 1. The average ratio value for the industry was 1.42 at the time (Industry Indicators, 2019–2023). An earlier study by Sankowska and Kołoszko-Chomentowska (2022, p. 70) showed that the debt-to-equity ratio was even higher in the years 2017–2019, reaching the value of 2.53 at that time. Such a value indicated that the company was in debt as of 2017. The situation improved during the period under review, and in 2023 the ratio value was only 0.85, which indicates the good condition of equity. Between 2019 and 2023, the long-term debt ratio dropped from the level of 0.53 to 0.16, where the recommended value for this indicator should be less than 1. The downward trend is a positive development, as it shows a continuous improvement in the company creditworthiness and reliability. The average value of debt-to-equity for the industry in Poland was 0.22 (Industry Indicators, 2019–2023).

One of the indicators used to assess profitability is the return on assets (ROA), i.e., the assets of the company. The higher the value of the indicator, the better the financial standing of the entity. As a result, high values of this indicator inform about high profitability of total assets (Gad, 2015, p. 73). Profitability indicators are shown in Table 8. In the case of ROA, the ratio increase of approx. 4% was recorded in the analyzed company, which means that the situation of Dino Polska S.A. was improving and a higher efficiency in generating profits through assets was observed. In the last year of the analysis, the return on assets amounted to 13.5%. The return on assets of the analyzed Dino Polska S.A. company is higher than the industry average for the same period, which presented the level of 8.24% (Industry Indicators, 2019–2023).

The return on sales (ROS) ratio shows the percentage of revenue which remains in the company after subtracting all costs. This means that for every zloty of sales revenue, the company generated approximately 5.86 groszes of net profit. The return on sales ratio for the industry amounted to 3.45% at that time (Industry Indicators, 2019–2023).

Table 8

Profitability indicators in the period 2019–2023 [%]

Specification	2019	2020	2021	2022	2023
Return on sales (ROS)	5.37	6.36	6.03	5.72	5.48
Return on assets (ROA)	9.44	11.56	11.23	12.57	13.54
Return on equity (ROE)	25.33	28.41	26.23	26.93	25.07

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

Return on equity (ROE) averaged more than 25% during the period covered by the analysis. It was a highly favorable result for the enterprise, as the long-term bank deposits and bond rates were higher, which may encourage the potential investors to purchase company shares. The average return on equity for enterprises in the discussed industry at that time was approx. 20% (Industry Indicators, 2019–2023).

The detailed results of Dino Polska S.A. efficiency indicators are shown in Table 9. The asset turnover ratio for the analyzed period suggests that the efficiency of asset management at Dino Polska S.A. was improving year to year. It is a positive development, which indicates the increasing sales revenues of the company. At the beginning of the studied period, the ratio was 1.76, whereas at the end it amounted to 2.48. The fixed asset turnover ratio also showed an upward trend, having increased by more than 1.5 times over the 2019–2023 period. In practice, it means that the value of sales revenues compared to fixed assets was increasing each consecutive year, thus working in favor of the company.

The inventory turnover ratio, receivables turnover ratio and liabilities turnover ratio also presented favorable results in the surveyed company, e.g., the inventory turnover averaged 11 times per year. This indicator showed lower values in the last year of the analysis, indicating an increase in the inventory backlog. In the years 2017–2019, according to Sankowska and Kołoszko-Chomentowska (2022, p. 68), the ratio was higher, at approx. 13 inventory turnover cycles per year. Dino Polska S.A. showed lower indicator values as compared to the average ratio reported by the companies operating in this industry in Poland, where an average inventory turnover was 40 times per year (Industry Indicators, 2019–2023).

Dino Polska S.A. received the receivables from contractors 78 times in 2023. At the beginning of the analysis, it happened even more frequently, i.e., 98 times in 2019, and 117 times in 2020. The source literature does not provide a benchmark for a given indicator, but it should depend on the waiting time for payment that the company is willing to accept from its customers (Garbusewicz, 2014, pp. 337–356). The analysis of current liabilities in the studied enterprise shows that the value of short-term liabilities turnover ratio was increasing in each consecutive period. It resulted in a reduction of the current liabilities repayment period from 89 days in 2019 to 55 days in 2023. The average short-term liabilities settlement period for enterprises in the discussed industry was 67 days at that time (Industry Indicators, 2019–2023).

Table 9*Efficiency (activity) indicators in the period 2019–2023*

Specification	2019	2020	2021	2022	2023
Asset turnover ratio	1.76	1.82	1.87	2.20	2.48
Fixed asset turnover ratio	2.38	2.50	2.58	3.14	3.60
Inventory turnover ratio	12.25	11.57	9.73	10.01	9.73
Receivables turnover ratio	97.88	116.63	92.78	72.04	77.66
Short-term liabilities turnover ratio	4.09	4.87	4.45	5.37	6.62

Source: Own compilation based on the data presented in Dino Polska S.A. annual reports.

The conducted analysis of Dino Polska S.A. financial statements covering the period 2019–2023 shows that the company overall situation was very good, as evidenced by the provided results. The company was generating higher revenues from its operations year to year. Despite the growing costs and income tax paid, Dino Polska S.A. increased its annual net profit by approx. 3.5 times (from PLN 410,907 thousand to PLN 1,405,327 thousand) between 2019 and 2023. Such financial results mean that the enterprise can look forward to the future with optimism. The company coped particularly well with the difficult period of 2020–2021, when the COVID-19 pandemic prevailed in Poland and many businesses collapsed or made large losses. In this period, no major problems were observed in Dino Polska S.A. financial results (Dino Polska S.A., 2021, p. 12). Another positive aspect was a significant decline in long-term and short-term liabilities, which made the company increasingly independent and, in addition, it continued to develop and invest in new stores or distribution centers. If one was to look for the weak points of Dino Polska S.A., the results of liquidity indicators could be slightly better, because in the event of an unforeseen increase in costs, a problem with solvency may occur. The company can also focus on further improvement of its profitability indicators, as their higher values translate into a better financial standing.

Conclusion

The correctly conducted analysis results in specifying these factors which most affect the company situation. Based on these tools, it is possible to react adequately, make decisions and choose a different path of development. Financial analysis tools allow accurate estimation of the financial standing presented by a particular company, which is useful not only to managers, but also to potential investors who would like to purchase company shares in the future.

The main purpose of the study was to assess the financial situation of Dino Polska S.A. in the period 2019–2023. The research problem addressed, which involved analyzing the assets and financial situation, allowed us to achieve the research objective. The research hypothesis was positively verified, as the development strategy pursued by Dino Polska S.A. guarantees the dynamic growth of the chain and improvement of its financial situation.

The economic and financial analysis confirmed a good financial condition of the studied company. It is consistently increasing its sales revenues and, in addition, each fiscal year is closed with a higher net profit from its operations. Dino Polska S.A. shows a considerable potential for further growth, as it maintains a high rate of new store openings, and also plans to build more distribution centers to reduce operating costs.

In addition, the company's good financial condition is evidenced by comparing sales revenues generated by Dino Polska S.A. with those of other grocery retail chains operating in Poland. Each consecutive year, Dino Polska S.A. grows stronger and is currently ranked as the third force on the Polish market, second only to two foreign-owned discounters – Lidl and Biedronka (Mandel, 2025).

Having considered that Dino Polska S.A. is a company majority-owned by Polish capital, which has been operating in the market for a relatively short period of time, all of its economic and financial results are good. It should be noted that the business strategy of the analyzed company has been well developed and its potential maximized. Dino Polska S.A. has found a favorable space in the market regarding the location of its stores, predominantly in smaller towns with little competition. In this way, the company strategy does not have to be changed, but can be continued along with all its assumptions. Dino Polska S.A. is a highly recognizable grocery retail chain in the Polish market generating high profits, which offers a chance to introduce further innovations and new technologies more readily in the future.

The analyzed financial statements of Dino Polska S.A., covering the period of 2019–2023, showed a good financial situation of the company. The balance between assets and liabilities was maintained providing the basis for profitable operations. The company secured smooth operation in conducting further business activities by applying a safe and responsible financial policy, even if unexpected events were to occur. It is confirmed by the results of 2019–2023 indicators.

The operational efficiency and debt presented the most favorable results, significantly above the adopted value levels respective for each of these indicators. The company must certainly consider improving the quick ratio and cash ratio, because financial problems may occur in the event of unexpected expenses. However, the low values of liquidity indicators can be partly ex-

plained by the fact that Dino Polska is a dynamically developing retail chain that relies on a short operating cycle and fast-moving goods turnover.

It is recommended to maintain timely sales revenues and appropriate inventory turnover within the company, as well as to accumulate cash reserves, which can increase financial security during market fluctuations. The analysis results can be useful for further research considerations, but can also serve as information for current and potential investors, market analysts, and the company's management in the decision-making process.

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