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# COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OF OMAN CEMENT COMPANY AND RAYSUT CEMENT COMPANY: A CASE STUDY OF THE MANUFACTURING SECTOR IN THE SULTANATE OF OMAN

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**Keywords**
Financial Performance, Oman Cement, Raysut Cement, COVID-19, Manufacturing Sector, Oman, Comparative Analysis

**Abstract**
This research paper presents a comprehensive analysis of the financial performance of Oman Cement Company and Raysut Cement Company, two pivotal enterprises within the Sultanate of Oman's manufacturing sector, during the COVID-19 pandemic. Using financial data from 2017 to 2023, this study evaluates the impact of the pandemic on these companies through key financial ratios, including profitability, liquidity, debt-to-equity, and interest coverage ratios, as well as vertical and horizontal analysis. The findings indicate that Oman Cement maintained relative financial stability, with fluctuations in performance metrics, whereas Raysut Cement faced significant challenges, illustrated by its high leverage ratio and decrease in profitability. These differences highlight the varying impacts of the COVID-19 pandemic on both enterprises and underscore the importance of strategic financial management during periods of economic distress. Recommendations are provided to strengthen the sector against future economic challenges.

## Introduction

Throughout economic history, global crises often serve as revolutionary catalysts, fostering innovation, technological advancement, and creativity. The COVID-19 pandemic, which began in early 2020, was no exception, causing unprecedented disruptions to businesses worldwide. The pandemic forced numerous enterprises to confront challenges such as operational closures, supply chain interruptions, and reduced revenues. This study focuses on the financial performance of two key players in Oman's manufacturing sector: Oman Cement Company and Raysut Cement Company. Apart from these nowadays, practically all user interfaces have as their absolute minimum adherence to the Human Computer Interaction (HCI) principles. E-learning solution developers should take HCI into account (Al Mahdi et al., 2019). HCI considerations are being considered in all areas in present scenarios for better user experience, and ease of access to the resources in online mode especially while doing comparative analysis. Usability considerations for user interface design must be considered even during auditing (Naidu et al., 2023). Improved dashboards in business intelligence installations can facilitate better decision-making processes and make it simpler to identify issues.

Oman, located on the Arabian Peninsula, relies heavily on its manufacturing sector for economic development. The cement industry, in particular, plays a crucial role in supporting the country's infrastructure and construction projects. As the COVID-19 pandemic unfolded, Oman Cement Company and Raysut Cement Company faced significant financial and operational challenges. Both companies had to comply with new safety measures and navigate the economic uncertainties brought about by the pandemic.

## Methodology

This study adopts a quantitative approach, utilizing secondary data from the financial statements of Oman Cement Company and Raysut Cement Company available on the Muscat Securities Market. The research design is a comparative case study, focusing on the financial performance of the two companies over a seven-year period (2017-2023).

Methodologies and approaches that assist a researcher in analyzing the results in a numerical format are referred to as quantitative research methodologies. The capabilities of the research method and the related issues that need to be answered influence the choice of quantitative research method. Methodology (Hussain, R, et. al, 2019).

Secondary data collection techniques are employed in this study, using publicly available financial statements from the Muscat Securities Market. These statements include income statements, balance sheets, and cash flow statements, providing comprehensive financial data for analysis. The data analysis involves calculating key financial ratios, conducting vertical and horizontal analyses, and comparing the financial performance of Oman Cement and Raysut Cement. The ratios analyzed include profitability, liquidity, debt-to-equity, and interest coverage ratios.

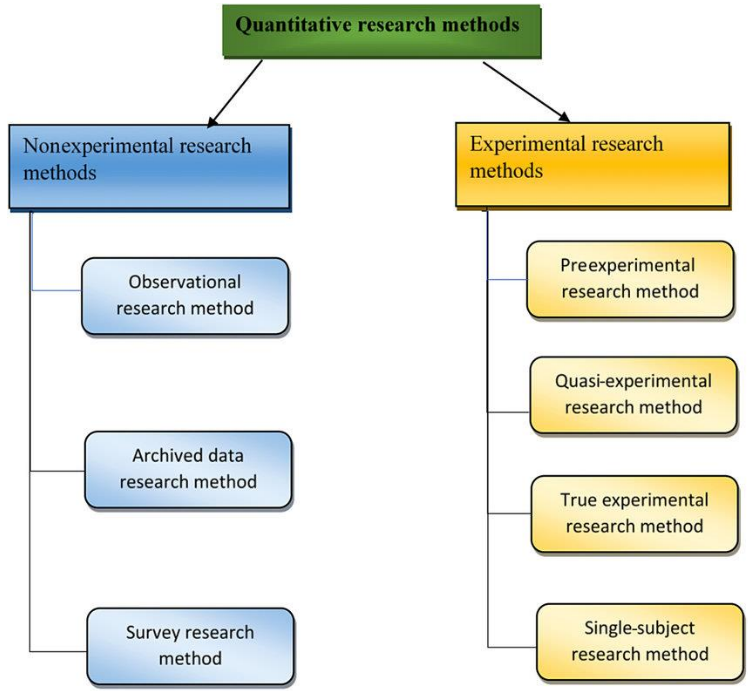


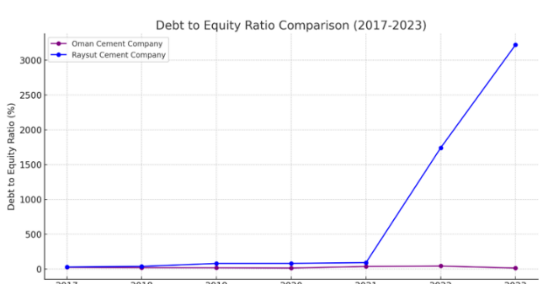

Figure 1. Methodology used (Hussain, R, et. al, 2019)



## Results

This section showcases an analysis of the financial data of Oman Cement Company and Raysut Cement Company in relation to the research objectives. With the aim of having an in-depth understanding of the ways that Oman Cement Company and Raysut Cement Company managed their finance before, during, and after the novel pandemic of COVID-19. Impact of COVID-19 on financial performances

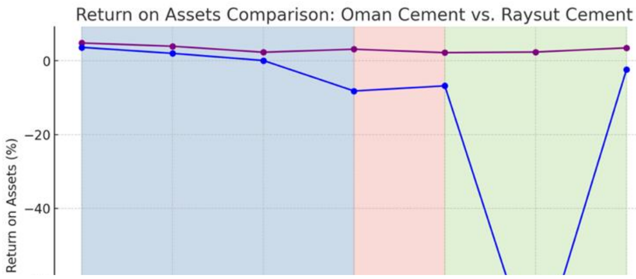
A. Debt to Equity Ratio:

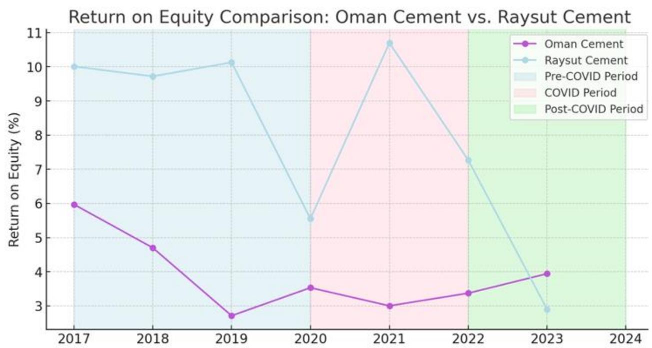



The debt-to-equity ratio showcases an enterprise's financial leverage and demonstrates the balance between liabilities and shareholder's equity in financing the enterprise's assets. As per the above graph, it can be noticed that both enterprises started at approximately the same debt-to-equity level in 2017 with Oman Cement at 23.51% and Raysut Cement at 28.89%, and for both enterprises, the graphs indicate fluctuations from 2017 to 2023. For Oman Cement Company, the ratio decreased from 23.51% in 2017 to 12.96% in 2023, signifying a reduced dependency on debt, principally during the novel pandemic of COVID-19 where it dropped to 12.97%. Then, increasing in 2022 with a ratio of 42.28% before quickly dropping again in 2023 with a ratio of 12.96%, indicating that the decrease in equity was addressed.

On the other hand, Raysut Cement showcased an extreme increase in the debt-to-equity ratio, starting from 28.89% in 2017 to 3219.29% in 2023. This indicates a significant increase in liabilities relative to equity, especially in the following years of the novel COVID-19 pandemic, showcasing a financial imbalance that could indicate financial distress.

B. Profitability ratios




According to the graph, Oman Cement's return on asset ratio decreased from its highest of 4.83% in 2017 to its lowest recorded ratio of 2.31% in 2019, demonstrating difficulties in improving its profit or increasing its assets.

Similarly, Raysut Cement showcased decreasing trend from its peak return on asset ratio of 3.63% in 2017 with a significant drop at 0.8% in 2019 suggesting vulnerability to changing market conditions.

During the novel COVID-19 pandemic, Oman Cement's ratio declined to 3.12% in 2020 before quickly rebounding in 2021, suggesting quick mitigation strategies. On the other hand, during the novel pandemic of COVID-19, Raysut Cement faced its lowest point at -8.19% in 2020, suggesting extreme financial and market vulnerability caused by the pandemic.

After the novel COVID-19 pandemic, Oman Cement's ROA continued to increase, showcasing a recovery, whereas Raysut Cement's ratio slightly improved but remained critically low.

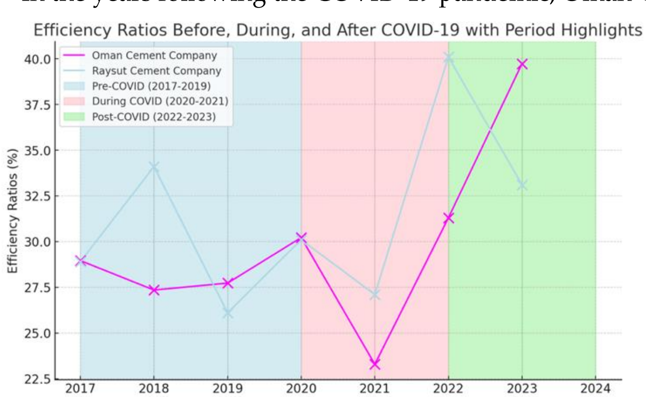
Thus, Oman Cement showcased better resilience and greater recovery during and after the novel COVID-19 pandemic, whereas Raysut Cement showcased more struggle in coping with and recovering from the pandemic.

C. Return on equity ratios

The graph demonstrates the return on equity comparison between Oman Cement and Raysut Cement Company. During the pre-pandemic phase, Oman Cement showcased a constant decline in return on equity ratio from 2017 5.97% to 2019 2.71%, suggesting a weakening financial performance before the novel pandemic of Covid-19. On the other hand, Raysut Cement experienced a higher declining equity ratio during the same period, starting at 4.68% in 2017 and significantly declining to 0.14% in 2019, indicating major financial challenges and changes prior to the novel pandemic of COVID-19.

Oman Cement and Raysut Cement experienced a significant impact during the novel pandemic COVID-19. As shown, Oman Cement saw a slight increase in its return on equity ratio in 2020 to 3.53%, possibly related to cost-cutting measures in response to the novel COVID-19 pandemic. However, this improvement did not last long, as the ROE dropped in 2021, reaching 3%. On the other hand, Raysut Cement faced a catastrophic decline in ROE in 2020, halving at -14.67%, highlighting the impact of the novel pandemic of COVID-19, which quickly worsened in 2021 with a continuous drop to 12.94%.

In the years following the COVID-19 pandemic, Oman Cement and Raysut Cement showed different trends. Oman Cement showcased a gradual stale recovery, indicated by its ROE climbing back to 3.94% in 2023, suggesting improved and stable financial efficiency.




In stark contrast, Raysut Cement continued to struggle and saw a dramatic reduction in its financial performance, with its return-on-equity ratio dropping to its extreme lowest -1527.94% in 2022 before it had a slight recovery to -79.78% in 2023. This huge decrease can potentially showcase in-depth issues within the enterprise itself, market conditions, or its ability to generate profit on its shareholders' equity.

D. Efficiency ratios

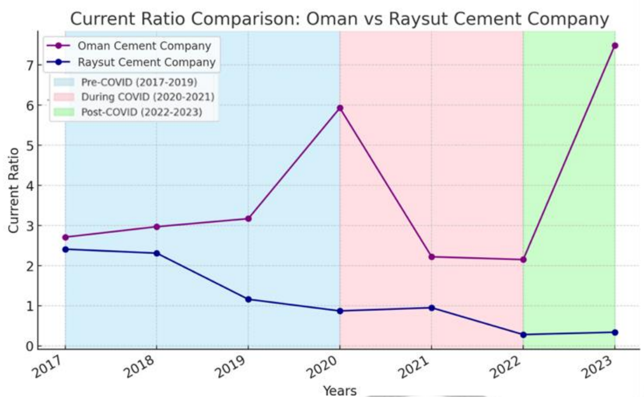
In th graph, it can be noticed that in the period prior to the novel pandemic of COVID-19, Oman Cement maintained a stable efficiency ratio that started at 28.96% in 2017 and then slightly decreased to 27.73% in 2019, possibly indicating good asset management and revenue generation related to the enterprise asset base size. On the other hand, Raysut showed a volatile trend, starting with 28.9% in 2017 then quickly peeking to 34.1% in 2018 to drastically drop to 26.1% in 2019. The peak in 2018 can be translated to increased revenue due to good market conditions and better operation control, whereas the drop in 2019 translates to market challenges or potential operation challenges caused by the beginning of the pandemic.

During COVID-19, Oman Cement Company's efficiency ratio increased to 30.22% in 2020 but dropped to 23.29% in 2021. The initial increase can potentially be related to strategies adaptation like cost and management adjustment in response to the novel

pandemic of COVID-19. Whereas the second decline in 2021 might showcase the lingering novel pandemic of COVID-19 effect like the reduced demands that disrupted the market and supply chain. Similarly, Raysut Cement's efficiency ratio improved to 30.1% in 2020 by quickly dropping to 27.1% in 2021, suggesting that the enterprise also temporarily optimized its operation at the beginning of the pandemic but failed to face the challenges as the pandemic continued.
The post-COVID-19 pandemic showcased a strong recovery for Oman Cement, with its efficiency ratio increasing to 31.3% in 2022 and then significantly increasing to 39.73% in 2023. This could be related to the rebound in the market demand after the novel pandemic of COVID-19 and the economic recovery. When it comes to Raysut's efficiency ratio post-COVID-19, it peaked at 40.1% in 2022 and then significantly decreased to 33.1% in 2023. The 40.1% peek during 2022 was recorded as the highest in the observed period, showcasing an expectational effective use of assets or increased revenue streams. The decline is represented as an adjustment after the peak period.

E. Liquidity ratios

As shown in the above graph, during the pre-pandemic period, Oman Cement showcased a stable and increased current ratio, beginning in 2017 at 2.71 and peaking at 5.93% in 2020. This demonstrates the enterprise's capability of covering its short-term liabilities with its short-term assets, demonstrating financial stability and resilience. On the other hand, Raysut Cement Company showcased fluctuation followed by a downward trend from 2.41% in 2017 to 0.87% in 2020. This showcases financial stress and higher short-term liabilities compared to assets.

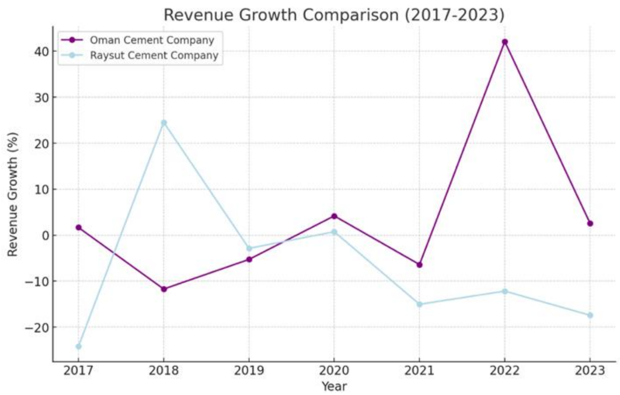



During the pandemic, both enterprises showcased a decrease in current ratios. Oman Cement's current ratio went from 5.93% in 2020 to 2.22% in 2021. On the other hand, Raysut Cement also continued to experience a downward trend, drastically dropping its ratio to 0.95% in 2021. The ratio decrease for both enterprises can be translated to the economic disruptions and reduced sales caused by COVID-19.
After the pandemic, Oman Cement significantly recovered, with its current ratio increasing to 7.49% in 2023. This rebound is supposedly due to effective management strategies in overcoming the novel COVID-19 pandemic. However, Raysut Cement Company did not recover similarly, as its current ratio remained extremely low at 0.34% in 2023, signifying the ongoing liquidity issues and financial challenges.



F. Revenue Growth

The graph showcases the revenue growth of both Oman Cement and Raysut Cement Company from 2017 to 2023. Oman Cement demonstrated continuous fluctuating revenue growth over the years, with a significant peak of 42.07% in 2022, indicating




a strong recovery. However, it quickly decreased to 2.5% in 2023. Raysut Cement Company, on the other hand, demonstrated generally negative or declining revenue over the same period. Enterprise revenue mostly remained negative except in 2018, when it was slightly above zero. The company continued to face a decline, with a -0.17% ratio in 2023.
This demonstrates that Oman Cement Company's revenue growth is more volatile with ups and downs whereas Raysut Cement Company's ratios are a declining trend. Additionally, Oman Cement showcased a better recovery from the novel pandemic of COVID-19, potentially in 2022, as opposed to Raysut Cement, which showed a constant decline over the years.

Overall ratio analysis comparison

Raysut Cement Company

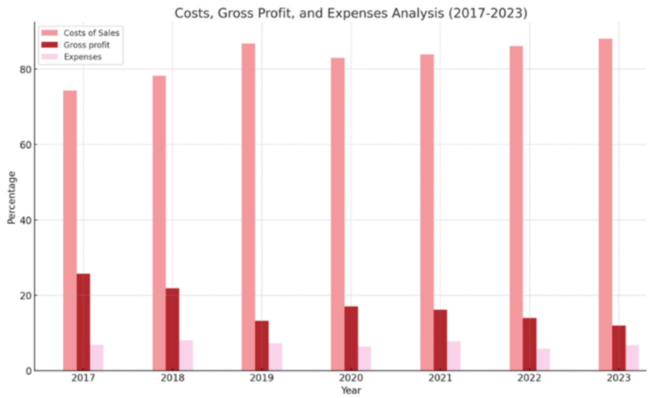
The above specific financial metrics from prior calculations of Oman Cement Company and Raysut Cement Company from 2017 to 2023 identify different puzzling or unexpected results. Here are a few notable observations:

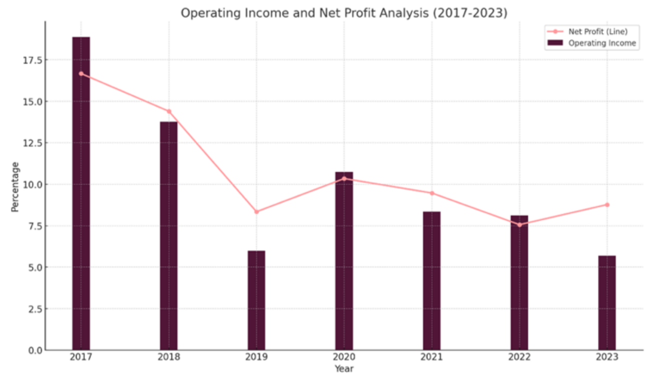
Debt-to-equity ratio
Oman Cement Company continuously maintains a more stable and lower debt-to-equity ratio, which peaked at 42.28% in 2022 and dropped to 12.96% in 2023.
Raysut Cement Company: The debt-to-equity ratio has been continuously high and increasing, peaking in 2023 at 3219.29%. This extreme increase started in 2022 and implies severe financial challenges, as debts are higher than equity.

Net profit Margin
Oman Cement Company: showcases a stable net profit margin with fluctuations within the normal considered range.
Raysut Cement Company: It illustrated dramatic changes in its net profit margin, including negative trends from 2020 onwards, peaking at -83.27% in 2022, which is highly unusual and showcases operational or financial issues possibly made worse by the pandemic.
Return on Equity (ROE)
Oman Cement Company: the return on equity ratio showcased an adequate positive fluctuation, illustrating a stable return on shareholder investment.
Raysut Cement Company showcased negative return on equity ratios from 2020, with its lowest market at -1527.94% in 2022. This illustrates the fact that the enterprise is not able to generate enough profits to cover its equity.

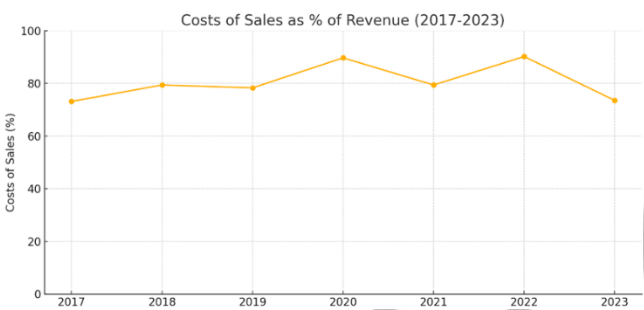
Current ratios
Omen Cement Company upholds a healthy current ratio, peaking at 7.49 in 2023, illustrating good temporary financial health.
Raysut Cement Company illustrates a declining trend in the current ratio, attaining its lowest at 0.34 in 2023. This highlights possible liquidity issues and difficulties in covering short-term debts.
Efficiency ratios
Oman Cement Company: illustrated an increasing efficiency ratio, showcasing improved assets use over time.
Raysut Cement Company: Despite reaching a peak in 2022, efficiency ratios continuously decrease, suggesting variability in the ways the enterprise uses its assets to generate revenue.

H.Vertical Analysis




The above two graphs provide a detailed visual analysis of Oman Cement Company's financial metrics from 2017 to 2023 with the following breakdown for each component:
Cost, gross profit, and expenses analysis
Costs of Sales: This metric is consistently the highest among the three, showing a gradual increase over the years, particularly spiking in 2022 and 2023. Starting from 74.28% in 2017 to 88.09% in 2023, indicating a rising cost pressure on Oman Cement Company. The higher costs can also indicate factors such as an increase in raw material prices, production costs, and other increases in productivity costs.



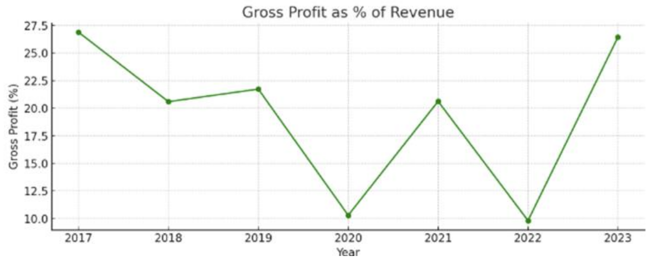

Declining gross profit: As shown in the trend analysis, rising sales costs are accompanied by a decreasing gross profit margin, which declined from 25.72% in 2017 to 11.91% in 2023. This reduction can reflect Oman Cement's inability to surpass customer costs due to market conditions or consumers' price sensitivity.

Expenses: They are slightly stable as a revenue percentage, showing consistent administrative and operational spending. The fluctuation represented in the graph could potentially be related to variable costs or controlled expenses.

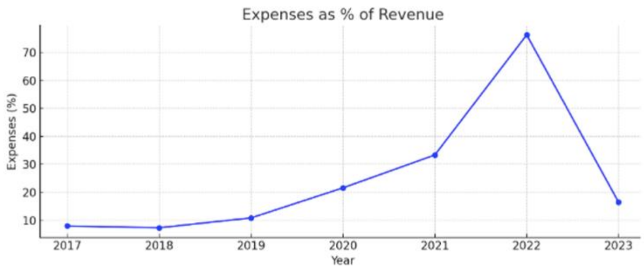
Operating Income and Net Profit Analysis
Operating Income: showcases significant variability, starting with a peak in 2017, then a sharp decline in 2019, marked by a slight recovery in 2020, and then a fluctuation. This pattern suggests that the company may have faced operational challenges, possibly adjusting to market conditions or internal efficiencies.

Net Profit: Net profit margin fluctuations: The net profit margin has generally fluctuated from 2017 to 2023, beginning with 16.67% in 2017, 7.56% in 2022, and then an increase to 8.77% in 2023. The variations can be influenced by financing costs, operating and non-operating incomes, and other expenses in each individual year.
Trend analysis observation:
Operating income and net profit are clearly colored, describing a similar trend between the two metrics that are heavily influenced by the ways Oman Cement manages its costs.
Despite the fluctuating profit, Oman Cement faced stable expenses, signifying a firm cost structure that perhaps does not quickly adapt to revenue changes affecting profitability.
The vertical analysis shows that the increasing cost of sales can continue compressing profit margins if not measured in the upcoming years.

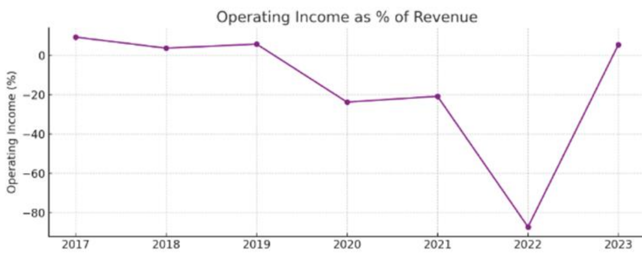
Raysut Cement Company
Costs of Sales as % of Revenue: This graph shows the proportion of revenue that was consumed by the cost of sales each year, highlighting its lowest in 2017 at 73.12% followed by fluctuations, suggesting changes in cost efficiency or sales volume. The Costs of Sales for Raysut Cement Company show significant fluctuations over the years. Initially, the cost was at its lowest and then gradually increasing, peaking dramatically in 2022 at 90.19%. This could be attributed to varying raw material prices, changes in production efficiency, or shifts in the company's production capacity or strategy.



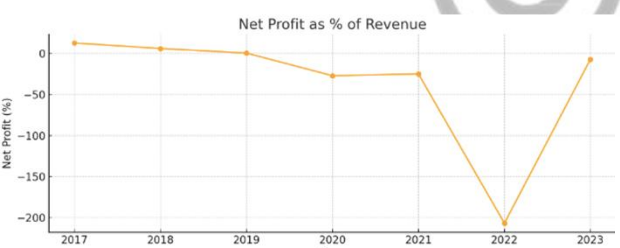

Gross Profit as % of Revenue: Gross profit percentage depicts the proportion of revenue remaining after deducting the cost of goods sold. The graph shows variability over the years, with noticeable lows in 2020 and 2022.The highest gross profit percentage was in 2017, with 26.86%, and the lowest was in 2022, with 9.83%. As shown in the graph, the years 2020 and 2022 were very challenging, as the gross profit percentage of revenue was 10.31% and 9.83%, showcasing an increased cost of sales or a decrease in revenue.




Expenses as % of Revenue: This chart tracks the company's operating expenses relative to revenue, illustrating a troubling increase in 2022 of 76.29%, which might indicate rising costs not aligned with revenue increases. The lowest expenses in relation to revenue were recorded in 2018, at 7.33%.




Operating Income as % of Revenue: This metric indicates profitability from regular operations, disregarding non-operating influences. The highest value was recorded in 2017, at 9.33%, and the lowest in 2022, at -87.26%. The negative value can possibly be due to operational challenges leading to losses.




Net Profit as % of Revenue: Finally, the net profit graph reveals the bottom line as a percentage of revenue, highlighting the impact of all factors, including financial costs and taxes. The highest point was recorded in 2017 with 12.57% and the lowest in 2022 with (-206.57%) showcasing extreme financial challenges.

Vertical analysis comparison

Gross profit (2017-2023)

Pre-COVID-19 (2017-2019)

Oman Cement continuously maintained stable gross profit margins from 25.72% in 2017 to 13.21% in 2019, signifying a downward trend prior to the pandemic.

On the other hand, Raysut Cement Company started the year 2017 with 26.86%, which dropped to 20.61% in 2018 and slightly increased to 21.73% in 2019, also signifying a downward trend. However, it is more stable than Oman Cement Company.

During COVID (2020):

During this time, it can be noticed that Oman Cement showcased resilience towards the pandemic and compared to previous years, as its gross profit margin in 2020 was 17.02%. On the other hand, Raysut Cement suffered an extreme drop from 21.73% in 2019 to 10.31% in 2020, showcasing a severe impact from the novel COVID-19 pandemic.

Post-COVID (2021- 2023)

Oman Cement continued to decrease after the novel COVID-19 pandemic, reaching 16.11% in 2021 and continuing to 11.91% in 2023. On the other hand, Raysut Cement showed a quick recovery, reaching 20.63% in 2021; however, it drastically dropped to 9.83% in 2022 and recovered again to 26.4% in 2023.

Operating income
pre-COVID-19 (2017-2019)
Prior to the novel COVID-19 pandemic, Oman Cement's operating income declined from 18.88% in 2017 to 5.98% in 2019. On the other hand, Raysut Cement Company's decrease started at 9.33% in 2017 and ended at 5.79% in 2019, starting and ending lower than Oman Cement Company.

During COVID-19 (2020)
During the novel COVID-19 pandemic, the operating income of Oman Cement Company went from 5.79% to 10.74% in 2020, showcasing a recovery. However, during the novel COVID-19 pandemic, Raysut Cement faced challenges, which are demonstrated in its operating income drastically dropping to -23.74%.
Post-COVID (2021- 2023)
After the novel COVID-19 pandemic, Oman Cement recorded a decline in 2021 to 8.34%, which continued to 2023 with 5.68%. On the other hand, Raysut Cement did not recover from the pandemic and continued to struggle with -20.78% in 2021. It continued to suffer drastically to 2022 with -87.26%, only to have a small recovery of 5.54% in 2023.
Net profit

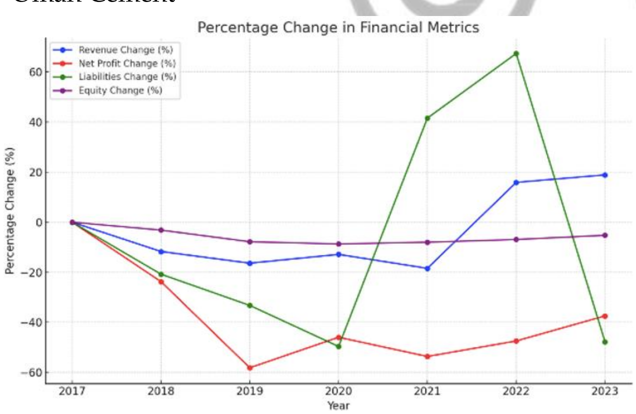
Pre-COVID-19 (2017-2019)
Prior to the novel COVID-19 pandemic, Oman Cement's net profit decreased from 16.67% in 2017 to 8.34% in 2019.On the other hand, Raysut Company started high at 12.57% in 2017 but drastically dropped to 0.31% in 2019.

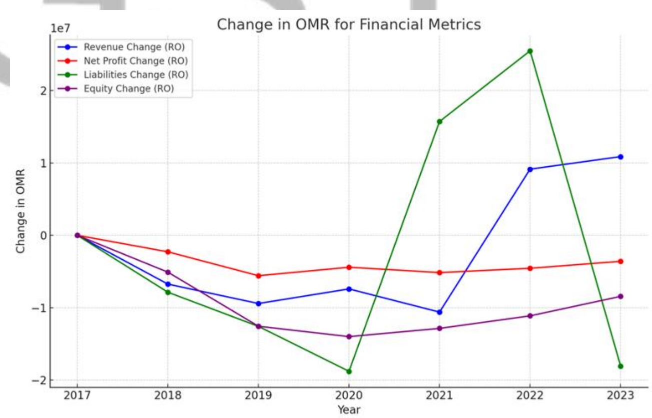
During COVID-19 (2020)
During the novel COVID-19 pandemic, Oman Cement's net profit was 10.34% in 2020, showing better resilience than Raysut Cement's net profit of -27.22%, which signified a financial crisis.

Post-COVID (2021- 2023)
After the novel COVID-19 pandemic, Oman Cement recorded a slight continuous decrease from 9.47% in 2021 to 8.77% in 2023. On the other hand, Raysut Cement faced a huge loss from -25.02% in 2021 to -206.57% in 2022. Then, the net profit slightly improved to -7.27% in 2023.



I. Horizontal analysis
Oman Cement



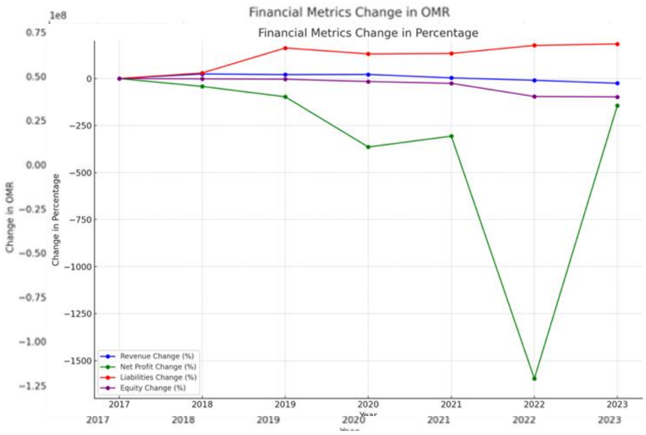

The above two graphs show percentage changes and changes in OMR of Oman Cement Company from 2017-2023
The revenue percentage hit its lowest in 2021 at -18.43% or -10,604,708 OMR reflecting a challenging market due to economic downturn such as the novel pandemic of COVID-19 and quickly had a rebound din 2022 and 2023 with its highest peak being 18.90% or 10,877,548 OMR in 2023 possibly due to market expansion, COVID-19 recovery that led to improved sales and favorable market conditions.

The lowest net profit changes were recorded in 2019 at -58,16% or -5,578,741 OMR which can be related to the beginning of the challenging economic and market condition that will later be related to COVID-10 and increased costs. The highest point of net profit was recorded in 2021 at -37.42% or -18,066,332, illustrating a continuous recovery period possibility due to the market challenges caused by the pandemic.

The lowest liabilities point was recorded during the pandemic, in 2020 at -49.65% or -18,784,320 possibly related to the enterprise trying to resist the pandemic and reduce its debt burden. On the other hand, the peak was in 2022 at 67.38% indicating that the company has the highest debts during the study period possibly due to the pandemic recovery, new financial obligations, and investments.

The lowest equity was recorded in the pandemic of covid-19, in 2020 at -8.7% or -13,995,285 possibly related to increases losses and reduced equity as well as increase in debts. Like the net profit, the equity did not have a positive change during the study period. However, the highest point was recorded in 2023 at 5.24%, illustrating a stabilization in the enterprise's equity and less losses than before.

Raysut Cement Company




The above graphs showcase the horizontal analysis of revenue, net profit, liabilities, and equity in percentages and Omani Rials. The highest revenue recorded for Oman Cement Company was in 2020, at 21.84% or 10,895,355 OMR, suggesting good marketing strategies. The lowest point was recorded in 2023, at -24.90% or -12,420,699, which could be due to various factors such as increased competition, economic recovery, and operational challenges.

The Net profit of Raysut Cement company's highest point was recorded in 2017 at -41.82% or -2,662,305 the base year, then drastically reduced its lowest in 2022 with losses going beyond 100 million OMR at a percentage of 1595%.

The highest liabilities percentage was recorded in 2023, at 184.06% or 71.2 million OMR, illustrating the heavy debt reliance for financial support and financial growth financed by debt rather than equity. The lowest record was during the base year, 2017, at 29.77%.

The highest equity, recorded during the base year in 2017 at -1.65%, before the equity continuously declined and hit its lowest point in 2023 at -97.4% or -130,486,088 OMR, illustrated poor equity funding, illustrated by failure to raise capital through equity markets.

J. Horizontal analysis comparison

Pre-COVID-19 (2017- 2019)
Oman Cement showcased a continuous decline in revenue from 2017 to 2019, with its lowest at -16.3% in 2019, prior to the pandemic. The net profit also saw a sharp decrease of -58.16% in the same year, illustrating a challenging economic environment prior to the pandemic.
Prior to the pandemic, Raysut Cement showcased an increase in revenue in 2018, but it quickly dropped near zero in 2019, illustrating challenging profitability issues before COVID-19, possibly related to decreasing demand.

During COVID-19 (2020)
Oman Cement witnessed a slight increase in revenue during the pandemic, but liabilities quickly spiked in 2021, primarily due to an increase in borrowing to recover from the pandemic.
Raysut Cement's revenue was somewhat stable during the pandemic before quickly dropping in 2021 and becoming negative, possibly due to its heavy reliance on debt to manage the challenges caused by the pandemic.

Post-COVID-19 (2021-2023)
Oman Cement experienced a rebound in revenue and an improvement in net profit. 2023 marked a reduction in liabilities, showcasing better debt management.
Raysut Cement continued to struggle financially after COVID-19, especially in 2022, which was marked by huge losses that quickly improved in 2023, marking an ongoing post-pandemic recovery.

Overall, Oman Cement showcased fewer challenges and better resilience than Raysut Cement, which struggled to regain its financial footing. Oman Cement quickly recovered its debts compared to Raysut Cement. Based on their balance sheets, Raysut Cement showcased a continued increase in liabilities and a decrease in equity, possibly related to poor strategic responses to COVID-19 and economic pressure.
Summary Chapter
This chapter showcased the detailed financial calculations and analysis of both Oman Cement and Raysut Cement, highlighting the impact of the novel COVID-19 pandemic on the enterprise's financial performance. Key financial metrics such as solvency, efficiency, profitability, debt-to-equity, and other ratios were evaluated from 2017 to 2023 for both companies.
This chapter showcased that Oman Cement Company upheld better financial resilience during the novel COVID-19 pandemic, illustrated by its stable or continuously improving performance. On the other hand, Raysut Cement Company showcased more financial challenges, characterized by the enterprise's extreme increase in its debt-to-equity ratio and deterioration in both liquidity and profitability ratios.
The upcoming chapter aims to translate this chapter's data into clear findings. It will provide a clear conclusion and summary of the findings based on the analysis and the study objectives. The next chapter will also shed light on this study's limitations, recommendations, and future areas of research.

## Discussion

The discussion section interprets the results, comparing the financial stability and recovery strategies of Oman Cement and Raysut Cement. Oman Cement showed resilience with a stable financial performance, while Raysut Cement faced severe financial distress, indicating a need for improved financial management and strategic planning.

### Oman Cement: Financial Stability and Resilience

Oman Cement demonstrated strong financial management, maintaining stable debt-to-equity and profitability ratios. The company's ability to quickly adapt to the challenges posed by the pandemic through cost optimization and effective resource management contributed to its financial resilience.

### Raysut Cement: Financial Challenges and Recovery Struggles

Raysut Cement faced significant financial challenges, with increasing debt levels and declining profitability. The company's high debt-to-equity ratio and negative profitability ratios during the pandemic highlight the need for better financial strategies to manage debt and improve operational efficiency.



## Conclusion

This section of the study presents the research paper's findings, reflecting on the entire research approach, its limitations, and the future of the research. It aims to provide a clear overview of the research outcomes based on the research objectives and questions. It showcases a clear insight into the financial strategies and resistance of Oman Cement and Raysut Cement in navigating the novel pandemic of COVID-19.

**Objective 1:** pre-covid and post-covid financial performance

Pre-COVID-19 financial health: Before the novel pandemic of COVID-19, both enterprises Oman Cement and Raysut Cement showcased stable and strong financial health, demonstrated by their profitability and solvency ratios. This aligns with previous studies indicating robust profitability in Oman's manufacturing sector before the pandemic.

During COVID-19 financial health, the Novel pandemic of COVID-19 was represented as an economic crisis that impacted both enterprises negatively, illustrated by a sharp decline in sales and disturbed operations that directly impacted both enterprises' profitability and liquidity. As analyzed in the previous chapter, Raysut Cement demonstrated greater financial performance volatility than Oman Cement, showcasing different ways of coping with the novel COVID-19 pandemic. These findings align with observed trends in another economic sector during the COVID-19 pandemic, where enterprises with less diversified portfolios and greater operational costs encountered more significant financial challenges and crises.

Post-COVID-19 financial health: After the novel COVID-19 pandemic, both enterprises faced a financial downturn, with Raysut Cement experiencing more significant fluctuation. On the other hand, the post-COVID-19 financial analysis of Oman Cement Company showcased a slow recovery that escalated to an improvement in its profitability ratios and debt-management ratio post-2020.

**Objective 2:** Examining financial performance via ratio analysis.

Debt-to-equity ratio: Oman Cement maintained a stable and lower ratio compared to Raysut Cement, which faced a dramatic increase, highlighting financial risk. This aligns with previous studies that suggested that enterprises with lower debt-to-equity ratios are more resilient during economic crises or challenges.

Profitability ratios: During the pandemic, both enterprises faced a profitability decline, which turned into slight recoveries post-pandemic, with Oman Cement recovering at a faster rate than Raysut Cement Company. Oman Cement's return on equity ratio illustrated a positive trend, meaning stable profitability that translates into stable returns on shareholder investments. On the other hand, Raysut Cement showcased financial distress that resulted in challenging profitability, especially during the pandemic and onwards, with its negative net profit peaking post-pandemic, illustrating severe financial challenges possibly exacerbated by the pandemic.

Efficiency Ratios: Like the profitability ratios, both entities faced a decline in their return on asset and equity ratios, contributing to reduced profitability. However, the efficiency ratio demonstrated that Oman Cement had a proper resources management system compared to Raysut Cement Company, which faced a more significant efficiency ratio.
Revenue growth: Oman Cement illustrated fluctuating revenue growth with a significant peak post-pandemic, illustrating a strong recovery from COVID-19 economic challenges. On the other hand, Raysut Cement experienced a consistent decrease in its revenue.

The overall financial performance shows that Oman Cement Company has stable, healthy financial performance, with marked volatility in its profitability and revenue growth but continuous adequate liquidity and leverage. Raysut, on the other hand, illustrated more financial challenges, including, but not limited to, weakening profitability, higher leverage, and low liquidity.

**Objective 3:** Analyzing the capital structure of Oman Cement and Raysut Cement Company

Capital structure: Oman Cement showcased a very conservative capital structure that helped stabilize during the novel COVID-19 pandemic. On the other hand, Raysut Cement's capital structure was more aggressive, illustrated by its high leverage, which put the enterprise in financial distress during COVID-19.

Debt management: Oman Cement's conservative approach aided the company in handling its debt and maintaining financial stability. In contrast, Raysut Cement's aggressive approach led the company to acquire more debt and contributed to increased financial risks during the novel COVID-19 pandemic.

Equity and debt management: The capital structure analysis showcased a divergent method with Oman Cement upholding a balance between equity and debt while conserving its shareholder value and financial stability.

**Objective 4:** Vertical and horizontal analysis of Oman Cement and Raysut Cement Company

Trend analysis or vertical analysis: The vertical analysis illustrated that Oman Cement and Raysut Cement had to adjust their cost structures during the novel COVID-19 pandemic to survive the reduced demand and revenue due to COVID-19 restrictions.

The horizontal analysis illustrated how adjustment progressed over time, showcasing how both enterprises improved and progressed over time and adapted to new market strategies.

To summarize, the comparative analysis conducted throughout this study provides a clear understanding of the financial ways that Oman Cement and Raysut Cement overcame and navigated the economic challenges caused by the novel COVID-19 pandemic using different methods. This conclusion highlights which company strategically dealt with the novel COVID-19 pandemic better based on the analysis and findings across different financial metrics.

Regarding the performance analysis, Oman Cement showcased a more resilient financial profile during the novel pandemic of COVID-19, unlike Raysut Cement Company. The financial performance analysis demonstrated that Oman Cement continuously upheld stable and healthier financial ratios throughout the economic distress caused by the pandemic. The stability is illustrated by the company's low debt-to-equity ratio and its ways of managing liquidity efficiently, represented in its liquidity and solvency ratios. Thus, these strategies allowed Oman Cement to be better prepared and positioned in the quick recovery period and adapt to the new post-covid market.

On the contrary, Raysut Cement faced important financial distress while dealing with the pandemic. The enterprise's dramatic

increase in debt-to-equity ratio and decreasing profitability metrics highlight the financial distress. One of the causes of its aggressive growth is linked to its pre-pandemic growth strategies, demonstrated by the company's higher leverage and capital expenditure, which can contribute to financial vulnerability when dealing with economic challenges such as the pandemic as the demand decreases drastically.
In response to the novel COVID-19 pandemic, both enterprises have implemented techniques and operational changes to resist and overcome the pandemic. However, the effectiveness of their strategies varied from one to another. Oman Cement's approach mainly focuses on cost management and operational change, which help overcome the reduced demand. As shown in its financial statements, the enterprise reduced its expenditure and focused on its production processes to keep its financial health and stability.

Additionally, the company focused on managing its costs by reducing non-essential expenditures.
On the other hand, Raysut Cement's approach was not helpful during the pandemic as the company encountered financial distress, which was illustrated by the significant increase in its debt-to-equity ratio and liquidity ratios. The company's growth strategy, characterized by an increase in its leverage and capital expenditure before the novel pandemic of COVID-19 might have contributed to higher financial distress during the pandemic. After the pandemic, Raysut's continuous efforts to stabilize its financial statement were crucial but insufficient in recovery from the previous years in the study period, showcasing the economic challenges of managing high debt levels during the pandemic.

This study demonstrates the importance of financial prudence and the need to adapt business methods and strategies to economic challenges, crises, or downturns. This research concluded that Oman Cement performed better during COVID-19 and illustrated the importance of financial strategies that help adjust operations in response to quickly changing market conditions. Thus, this approach protected the company from severe economic distress and allowed it to recover quickly post-COVID-19. On the other hand, Raysut serves as a crucial cautionary tale about how aggressive and quick expansions can expose an enterprise to greater risks during economic downturns. Therefore, a balance between financial expansion and health is required, especially in economic sectors that are more vulnerable to market changes, such as the manufacturing sector.

**Recommendations**



Based on the findings of this research paper, different recommendations can be proposed to enhance the financial health stability and strategic position of both companies:
Straightening financial buffers: both enterprises should improve their financial reserves to increase their resilience against economic challenges or crises.
Diversification: diversifying new markets and products can enhance risk mitigation associated with economic downfall or crisis.
Improve risk management: Enhancing risk management and assessment is important to resist economic crises, especially for Raysut Cement Company properly.

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