

Muebles Arell, S.A.P.I. de C.V.

ACTIVE

Location: Av. Reforma No. 5891, Sector Juárez, Col. Centro, Guadalajara, C.P. 44100, Jalisco, Mexico
Telephone: +(52) 33 31323300
D-U-N-S Number: 81-176-1659

IDENTIFICATION & SUMMARY

D-U-N-S Number

81-176-1659

Telephone(s)

+(52) 33 31323300
 +(52) 33 33323100

E-Mail

arell@arell.com.mx /
 apedraza@arell.com.mx /
 jmedina@arell.com.mx

Trading Style

MUEBLERIAS ARELL Y ESPAÑA

Facsimile(s)

+(52) 33 31323318

Website

www.arell.com.mx

Country Tax ID

MAR750202J90

SSN

R1414401378

SUMMARY

Type of Business

Association with Shares Investment
 Promotor with Variable Capital

Primary SIC

25199900

Employees

50 (Here)
 750 (Total)

Established

1975

Imports

Yes

Principal

Alberto Pedraza González
 President Council

Line of Business

Manufacture of home and office
 furniture. Wholesaler of home
 appliances. Holding firm

Exports

Yes



Address

Av. Reforma No. 5891
 Sector Juárez
 Col. Centro
 Guadalajara
 C.P. 44100

EMMA Score	3
Risk Indicator	3
D&B Rating	5A3
D&B Paydex®	80
Former Rating	5A3
Record	Legal

Principal(s) 11

LEGAL EVENTS

Law Suit(s)	4
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PAYMENT INFORMATION

Payment Record(s)	10
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FINANCIAL SUMMARY

Sales	\$462,783,505 (2019)
Net Worth	\$543,071,490 (2019)
Capital	\$ 400,000,000
Condition	Good

FINANCIAL RATIOS

Solvency Ratio	2.22
Leverage Ratio	0.27

Currency

All monetary amounts quoted in this report are shown in Mexican Pesos (MXN) unless otherwise stated

RISK ASSESSMENT

EMMA Score



Low Risk (1)

High Risk (10)

D&B Rating

Financial Strength	Risk Indicator
5A	3
Based on net worth	Fair (slightly greater than average risk)

Former Rating

Financial Strength	Risk Indicator
5A	3
Based on net worth	Fair (slightly greater than average risk)

The Dun & Bradstreet Rating of 5A3 indicates:

- Financial Strength of \$ 511,490,000 and above based on net worth
- A Risk Indicator which is Fair (slightly greater than average risk)

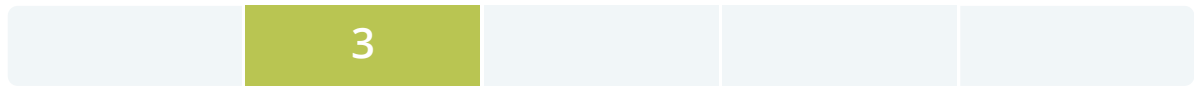
D&B Maximum Credit Recommendation

8,333,333

RISK ANALYSIS



EMMA SCORE



Low Risk (1)

High Risk (10)

EMMA Score Analysis

Subject's EMMA score is mainly impacted by the following risk drivers:

- The total liabilities have a negative impact on the rating.
- The payment history of this company does not have any payment delay greater than 60 days.
- Statistics show that the delay risk in this geographical area is generally low.
- The legal structure is available.

By evaluating all risk factors, the company is assigned with EMMA score of "3", indicating

Lower Risk

Industry Norm Grouping

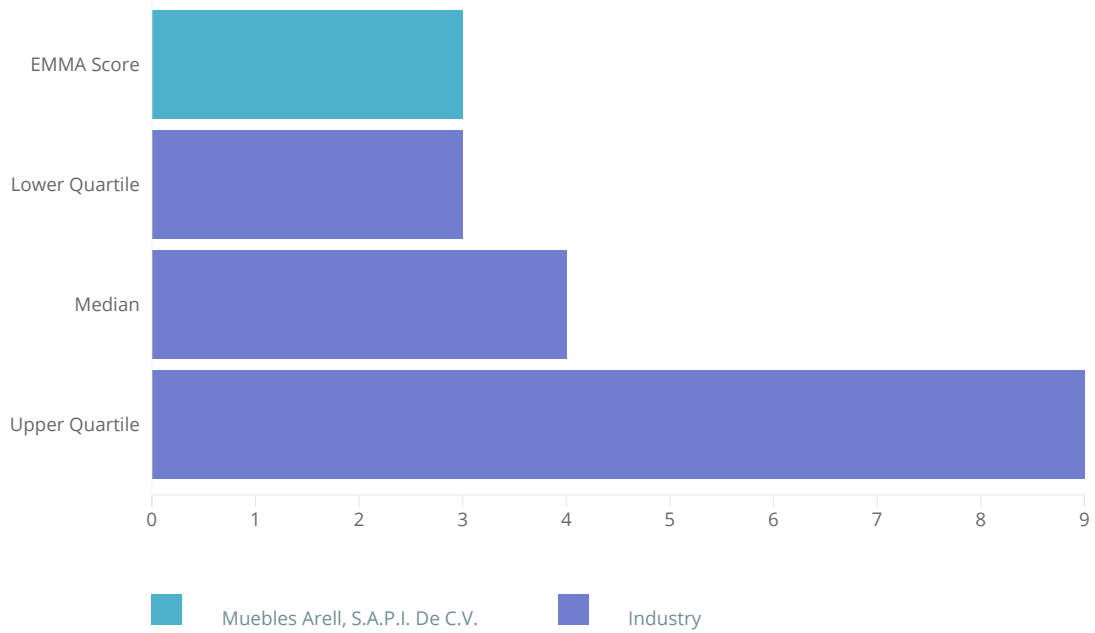
Industry Group SIC 2519

Industry Group Description Household furniture, nec, nec

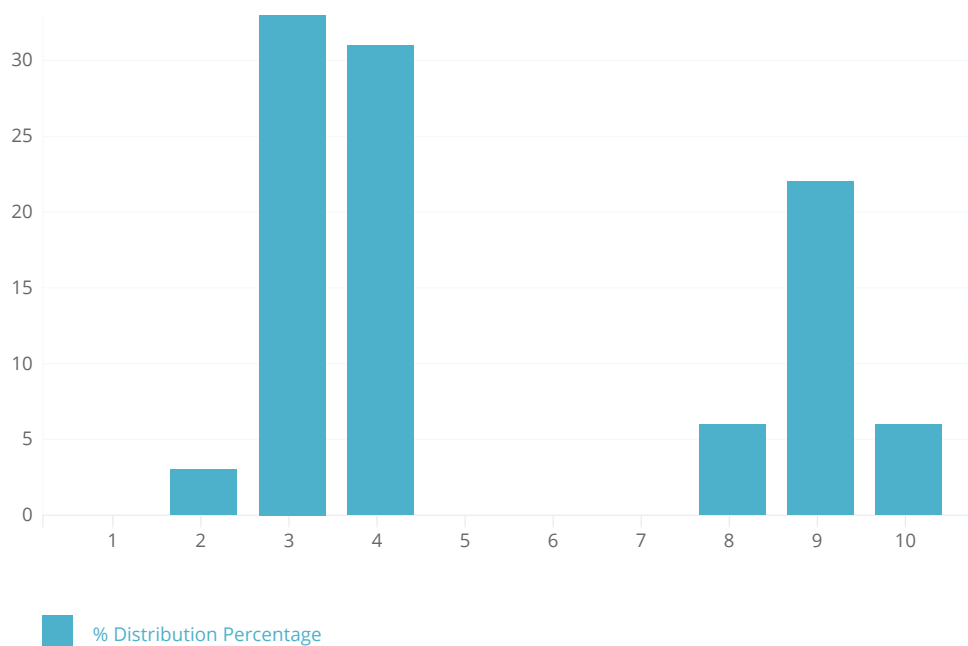
Industry Group EMMA Score Quartile Values

Lower Quartile	3
Median	4
Upper Quartile	9

Company Risk Vs Industry Norm Chart



Distribution of EMMA Score in D&B Mexico Database



The percentages on the graph may not always add up to 100 due to rounding.

Note: please refer to the report appendix for the principle and major factors of D&B Mexico EMMA Score.

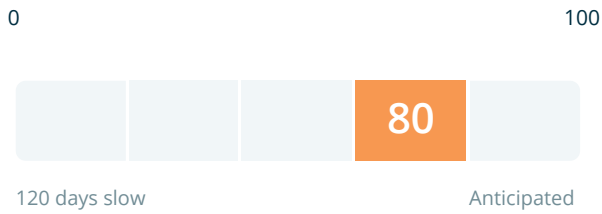
TRADE PAYMENTS



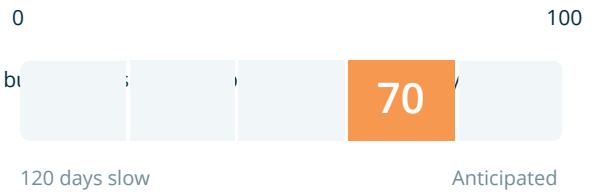
D&B PAYDEX

The D&B Paydex is a unique indicator of payment performance weighted by the monetary value of payment experiences as reported to D&B by trade references. Should you require any further information or have any questions regarding Paydex, then please refer to the Appendices section for details on contacting your local D&B Customer Service Centre.

Paydex of This Business



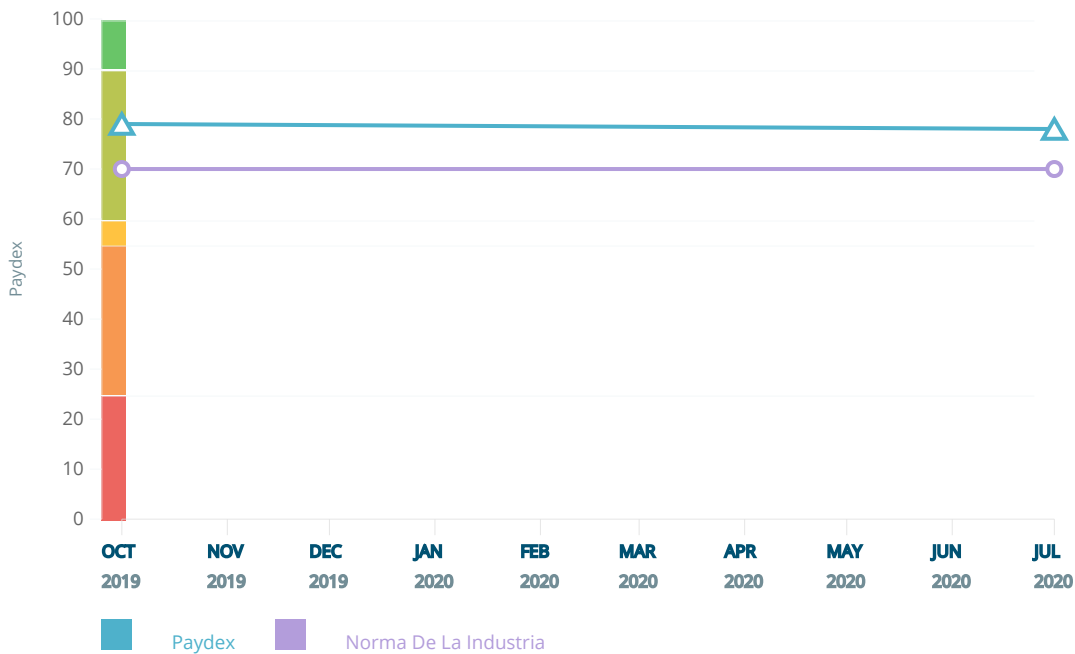
Paydex of This Industry



Industry Median	70
Upper/Lower Quartile	80/61
Based on	228 businesses

D&B PAYDEX YEARLY TREND WITH INDUSTRY COMPARISON

Is based on payments collected over the past 12 months.



	Oct 2019	Jul 2020
Paydex	79	78
Ind Median	70	70
75th %ile	80	80
25th %ile	64	61

(0-50) High Risk of late payment (average 30 to 120 days beyond terms)

(51-80) Medium Risk of late payment (average 30 days or less beyond terms)

(81-100) Low Risk of late payment (average prompt to 30+ days sooner)

TRADE PAYMENT SUMMARY (USD)

Value Bands	No of Exp	Total Value	Within Terms	1 - 30 Days	31 - 60 Days	61 - 90 Days	91+ Days
>= 2,000,000	0	0	0%	0%	0%	0%	0%
200,000 - 1,999,999	0	0	0%	0%	0%	0%	0%

100,000 - 199,999	1	180,000	100%	0%	0%	0%	0%
20,000 - 99,999	5	183,420	81%	19%	0%	0%	0%
10,000 - 19,999	3	47,244	100%	0%	0%	0%	0%
< 10,000	15	80,370	86%	14%	0%	0%	0%
TOTAL	24	491,034	91%	9%	0%	0%	0%

The USD amounts represented above may be the result of converting BRL or other currency types to USD to facilitate their joint interpretation.

TRADE PAYMENT EXPERIENCES

D&B obtains payment references from local and international suppliers. References listed below may be from either or both sources. Amounts may be rounded to the nearest figure in prescribed ranges.

Date	Paying Record	Currency	High Credit	Now Owes	Past Due	Payment Terms	Last Sale
Aug 07, 2020	Prompt	MXP	600,000	0	0	45	
Aug 07, 2020	Prompt	MXP	100,000	0	0	60	
Aug 07, 2020	Prompt	MXP	200,000	0	0	30	
Jul 13, 2020	Prompt	MXP	36,000	0	0	30	
Jul 13, 2020	Prompt	USD	19,000	0	0	30	
Jul 13, 2020	Prompt/Slow 7	MXP	57,000	0	20,000	30	
Jul 13, 2020	Prompt	MXP	63,000	0	0	30	
Jul 13, 2020	Prompt	USD	180,000	0	0	0	
Jul 13, 2020	Prompt	MXP	40,000	0	0	30	
Jul 13, 2020	Prompt	MXP	120,000	0	0	30	

Payment references contained in this report may have been obtained from the same source in different months and monetary units. In some instances, payment beyond terms can be the result of disputes over merchandise, lost invoices, etc.

Risk Assessment Matrix

PAYDEX	Risk Range		
	Low (EMMA 1 - 3)	Medium (EMMA 4 - 7)	High (EMMA 8 - 10)
PAYDEX >= 80	AA (Subject lies in this group)	BA	CA
80 > PAYDEX >= 60	AB	BB	CB
PAYDEX < 60	AC	BC	CC

Interpretation and Analysis of Risk Assessment Matrix

Classifications	Risk Level	Description	Credit Policy
Stable group	AA -> AB	The business is solid, and the bills are paid on time; therefore, it has a good credit reputation.	Credit policies can be granted with automatic approval.

Low risk group	BA -> BB -> AC	The business operates with little risk, although there are some delays in its payment history.	A pertinent credit policy is suggested, with some manual revisions.
Significant risk group	CA -> BC -> CB	The business operates with significant risk and there are some considerable delays in its payment history.	A strict credit policy is suggested, with a detailed manual review.
Monitoring group	CC	The business operates with a higher risk and there is the possibility of presenting a severe delay or failure to pay its bills.	It is suggested to avoid sales on credit and prefer cash agreements.

*Risk levels are listed in order of risk from low to high.

The results of the Risk Assessment Matrix show that the subject firm is assessed as **AA**; therefore, it belongs to the stable group:

- The business is solid, that is, its business risk is relatively lower than the average of Mexican companies;
- The Paydex® of the subject firm / industry relation shows that most bills are paid on time, rarely late, and that the credit reputation of the subject firm / industry is good;
- The subject firm is considered to be part of the stable group thanks to its solid operation, prompt payments, low risk level and good credit behavior. Therefore, a credit policy with automatic approval can be granted.

NEW ALERTS

On Jul 10, 2020, this firm is not registered in the list issued by the Office of Foreign Assets Control in the U.S.

For further information, visit the site:

<https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

On Jul 13, 2020, we found the following on the Compranet web site:

It has 80 awarded projects that sum up \$95,176,045.

It has 38 bids that sum up \$45,026,197.

It has 27 invitations that sum up \$28,741,852.

It has 10 unclassified contracts that sum up \$10,000,000.

It has 3 undefined contracts that sum up \$982,778.

On the web page of sanctions from the Public Administration Ministry, we found the following:

The subject firm has a penalty imposed by IMSS, with a fine for 100,000 and a period of disqualification from Apr 21, 2020 to Apr 21, 2020.

The subject firm has a penalty imposed by ISSSTE, with a fine for 20,000 and a period of disqualification from Apr 21, 2020 to Apr 21, 2020.

As of Mar 31, 2020, this business is registered in the list of Not compliant Taxpayers issued by the Tax Administration Services (SAT), under the case(s) : Receivables whit publication date Mar 01, 2015 . For more information visit the site:

http://omawww.sat.gob.mx/cifras_sat/Paginas/datos/vinculo.html?page=ListCompleta69.html.

As of Mar 31, 2020, this business is registered in the list of Not compliant Taxpayers issued by the Tax Administration Services (SAT), under the case(s) : Firm credits whit publication date Jan 01, 2014 . For more information visit the site:

http://omawww.sat.gob.mx/cifras_sat/Paginas/datos/vinculo.html?page=ListCompleta69.html.

As of Mar 31, 2020, this business is registered in the list of Not located Taxpayers issued by the Tax Administration Services (SAT), whit publication date Sep 16, 2018. For more information visit the site:

http://omawww.sat.gob.mx/cifras_sat/Paginas/datos/vinculo.html?page=ListCompleta69.html.

As of Mar 19, 2020, this business is registered in the Taxpayers with Allegedly Non-existent Operations list issued by the Tax Administration Services (SAT), whit publication date Jan 01, 2017. For more information visit the site:

http://omawww.sat.gob.mx/cifras_sat/Paginas/datos/vinculo.html?page=ListCompleta69B.html.

PUBLIC RECORD INFORMATION

Suits

The following suit(s) were found in our database.

Petition Date:	Apr 12, 2020
Type:	M.P.E.M.
Filling Nbr:	28130/2020
Court:	9
City:	León
State:	Guanajuato
Defendant:	Muebles Arell, S.A.P.I. de C.V.
Other Defendant:	and other
Plaintiff:	Centro Inmobiliario Ibáñez, S.A. de C.V.
Petition Date:	Jan 12, 2019
Type:	Ordinary Mercantile
Filling Nbr:	8600/2019
Court:	3
City:	Hermosillo
State:	Sonora
Defendant:	Muebles Arell, S.A. de C.V.
Other Defendant:	and other
Plaintiff:	Industrial Mueblera Nueva Era, S.A.P.I. de C.V.
Comments:	By deed, dated March 8, 2019, issued and signed by Mr. Rafael Castellón Gracia, 8th District judge, based in Hermosillo, Sonora the trial with file number 8600/2019 was concluded, when the demands of the plaintiff have been met, through a judicial agreement
Petition Date:	Nov 04, 2018
Type:	Real estate lease trial
Filling Nbr:	2348/2018
Court:	4
City:	Culiacán
State:	Sinaloa
Defendant:	Muebles Arell, S.A. de C.V.
Plaintiff:	Inmuebles Sinaloenses, S. de R.L. de C.V.

Petition Date:	Dec 30, 2017
Type:	Civil Executive
Filing Nbr:	8430-2017
Court:	1ro.
City:	Guadalajara
State:	Jalisco
Defendant:	Muebles Arell, S.A. de C.V.
Other Defendant:	and other
Plaintiff:	Servicios Profesionales High Performance, S.C.

The reported suit(s) may have been paid or resolved subsequent to the preparation of this report.

The suits mentioned above, have been gathered from the Mexican Legal Bulletin (Boletín Judicial de México, Ciudad de México), Official Federation Journal, from the public registry, additional specialized sources, and/or other sources. Therefore, we hold no responsibility for any error that could have been compiled from the original source.

BANKS



Muebles Arell, S.A.P.I. de C.V. currently has accounts in the following bank(s):

Bank Name:	BBVA BANCOMER, S.A.
Location:	Guadalajara, Jalisco, Mexico
Account No:	1234567890 (MXP) 8521473690 (USD)
Branch:	Chapultepec

Bank Name:	BANAMEX, S.A.
Location:	Guadalajara, Jalisco, Mexico
Account No:	159753 (MXP) 456852137 (USD)
Branch:	Metropolitana

Bank Name:	HSBC MEXICO, S.A.
Location:	Guadalajara, Jalisco, Mexico
Account No:	124863984 (MXP) 798465123 (USD)
Branch:	Florencia

Bank Name:	BANORTE, S.A.
Location:	Guadalajara, Jalisco, Mexico
Account No:	11458632 (MXP) 18465231 (USD)
Branch:	Juárez

Bank Name:	BANCO SANTANDER, S.A.
Location:	México, Ciudad de Mexico, Mexico

Account No: 46243672

Branch: Polanco

Location: New York, United States

Branch: Local

CURRENT INVESTIGATION

Investigation Information

On Jul 13, 2020 during the current investigation MissAdriana Martínez Rodríguez, General Accountant , submitted Financial Statement (signed) al Dec 31, 2019, Cifras en MXN. Mexican Pesos

The sales from Jan 01, 2020 to Jun 30, 2020 for 6 months reach a total of \$242,850,535

The forecast of sales for Dec 31, 2020 is \$485,701,070.

The partial financial information as of June 30th, 2020 comes from the same source. The financial information of 2019 corresponds to the opinion issued by the firm PriceWaterhouseCoopers, S.C.

HISTORY

Background

Established as a Association with Shares Investment Promotor with Variable Capital on Aug 02, 2016 deed 65782 registered by Notarys office 14 Bachelor Carlos Guillermo Hernández González, registered in the Mercantile Registry in Guadalajara, Jalisco Mercantile Folio 127580

Duration of 99 years.

It was established in 1975.

This is a well established business.

Under taxation system since 2016.

Under present firm name since 1990.

Under present control since 1990.

Status active.

Object

Object: Manufacture, purchase, sale, distribution, representation, design and trade of all types of furniture and home appliances. Control, acquisition, distribution of shares and securities, as well as any act of trade related to the field. Provision of all kinds of interior design and decoration services.

Changes

Former name: Muebles O Carvallíño, S.A. registered in Mercantile Folio No. 127580 , deed 6514 , founded on Feb 02, 1975

On May 07, 1983 by charter amendment, the legal structure was changed to Muebles O Carvalliño, S.A. de C.V., registered under Public Deed.Mercantile Folio 127580, book 1, Escritura 89102, pages(s) 5, No. 7, Notarys office No. 14, registered under Constancio Hernández Allende.

Even though the reported changed its name and / or legal structure, its RFC was not modified.

On Aug 20, 1990 by charter amendment, the name was changed to Muebles Arell, S.A. de C.V. Mercantile Folio 127580 , Escritura 53871 , Notarys office No. 14, registered under Constancio Hernández Allende.

Even though the reported changed its name and / or legal structure, its RFC was not modified.

On Aug 02, 2016 by charter amendment, the legal structure was changed to Muebles Arell, S.A.P.I. de C.V. Mercantile Folio 127580 , Escritura 65782 , Notarys office No. 14, registered under Carlos Guillermo Hernández González.

Even though the reported changed its name and / or legal structure, its RFC was not modified.

Capital

Capital Stock:	\$400,000,000 Capital composition is divided into 400,000 shares of \$1,000 .
Initial Capital Stock:	\$7,500

Capital Distribution:

Capital distribution is as follows:

Shareholders	Stock Qty	% Capital
OPERADORA CIAL D&B, S.A. DE C.V.	396000	99 %
Alberto Pedraza González	2000	0.50 %
Pablo Andrés Jara Fernández	2000	0.50 %

Legal Representative

Power of Attorney assigned to who(s) represent(s) the firm in all business transactions .

CORPORATE STRUCTURE

Parent

The subject is a subsidiary of:

Name:	Operadora CIAL D&B, S.A. de C.V.
D-U-N-S:	82-207-5198
Location:	Durango No. 263 Piso 5, México, Ciudad de Mexico, Mexico
Details:	Ownership: 99 % Year Started: 1970 Line of Business: Holding firm

The parent is a subsidiary of:

Name:	Adriana, Inc
D-U-N-S:	12-345-6789
Location:	Dallas, Texas, United States

Subsidiaries

The principals are:

Name: Inmobiliaria Mueblera de Colombia, S.A. de C.V.

D-U-N-S: 81-759-3317

Location: Mérida, Yucatan, Mexico

Details: Ownership: 99.99 %
Year Started: 2000
Line of Business: Real estate services
Intercompany Relationships: leasing arrangements
Legal Status: active

Name: Servicios Corporativos La Comercial, S.C.

D-U-N-S: 81-759-3319

Location: México, Ciudad de Mexico, Mexico

Details: Ownership: 60 %
Year Started: 1999
Line of Business: Administrative and HR services
Intercompany Relationships: administrative services and personnel
Legal Status: active

Affiliates

The principals are:

Name: Comercializadora Arell, S.A. de C.V.

D-U-N-S: 81-759-3310

Location: Francisco I. Madero No. 278, México, Ciudad de Mexico, Mexico

Details: Year Started: 1975
Line of Business: Retailer of furniture
Intercompany Relationships: intercompany sales
Legal Status: active

Name: Arell del Norte, S.A. de C.V.

D-U-N-S: 81-759-3311

Location: Pino Suárez No. 4815, Monterrey, Nuevo Leon, Mexico

Details: Year Started: 1999
Line of Business: Retailer of home appliances
Intercompany Relationships: intercompany sales
Legal Status: active

Name: Arell Inmobiliaria, S.A. de C.V.

D-U-N-S: 81-759-3313

Location: Av. Hidalgo No. 263, Puebla, Puebla, Mexico

Details: Year Started: 1975
Line of Business: Real estate services
Intercompany Relationships: leasing arrangements
Legal Status: active

Name: Transarell, S.A. de C.V.

D-U-N-S: 81-759-3315
Location: Paseo de los Laureles No. 98, Zapopan, Jalisco, Mexico
Details: Year Started: 2015
Line of Business: Cargo transport services
Intercompany Relationships: intercompany sales
Legal Status: active

Name: Bodegas y Almacenes Arell, S. de R.L. de C.V.
D-U-N-S: 81-759-3316
Location: Quinta de las Rosas No. 3, Tlalnepantla de Baz, Estado de Mexico, Mexico
Details: Year Started: 2014
Line of Business: Storage services
Intercompany Relationships: intercompany sales
Legal Status: active

D-U-N-S: 81-276-1721
Details: Year Started:
Line of Business:
Intercompany Relationships:
Legal Status:

PRINCIPALS



Name: Alberto Pedraza González
Position: Council President

Name: Pablo Andrés Jara Fernández
Position: Secretary

Name: José Angel Díaz García
Position: Treasurer

Name: Enrique de la Cruz Ramírez
Position: Council Member

Name: Raymundo Alvarado Méndez
Position: Commissioner

Name: Javier Medina Mondragón
Position: Administration & Finance Director

Name: Santiago Lara López
Position: Plant Manager

Name: Isabel Ventura Gutiérrez

Position: Sales Manager

Name: Mariana Vallejo Franco

Position: Human Resources Manager

Name: Marcial Escalante Molina

Position: Legal Manager

Name: Adriana Martínez Rodríguez

Position: Accountant

OPERATIONS



Line of Business

Manufacture of home and office furniture. Wholesaler of home appliances. Holding firm.

- SIC: 2519 - 9900 - Manufactures - Household furniture, nec, nec
- SIC: 2522 - 0000 - Manufactures - Office furniture, except wood
- SIC: 5064 - 9900 - Wholesales - Electrical appliances, television and radio, nec
- SIC: 6719 - 9900 - Operates as - Holding companies, nec, nec

The company operates as a holding company for a group engaged in companies engaged in services of personnel and real estate

Production/Others

Operates at 80% of capacity. Works 24 hours in 3 daily shift(s).

Market

In this country the subject is considered a medium concern in this field. Competition in this market is strong.

Quality Certificate

ISO 9001:2018 with number 121385 , for Design and manufacturing of furniture for 2020 .

Vehicles & Equipment

The subject owns the vehicles used by the business .

Vehicles including:

Quantity	Type	Brand/Model	Manufactured	Cargo Capacity
1	pick up truck(s)	FORD	2018	
2	automobile(s)	NISSAN ALTIMA	2019	
1	automobile(s)	CHEVROLET AVEO	2018	
1	automobile(s)	SEAT TOLEDO	2019	

1 truck(s) MAZDA CX 6 2018

The subject rents the vehicles used by the business .

Quantity	Type	Brand/Model	Manufactured	Cargo Capacity
10	truck(s)			

The company utilizes leased equipment :

Quantity	Kind of Equipment
	office fixtures
	computer equipment
	industrial machinery & equip.

Trademark

Distributes under the following 7 trademark(s):

Brand:	Product:	Sales %:
IEM	household appliances	
GE	household appliances	
LG	household appliances	
ACROS	household appliances	
SAMSUNG	household appliances	
DAEWOO	household appliances	
MABE	household appliances	

Sales

Sells mainly in national and international

- Mexico (70%)
- El Salvador
- Nicaragua
- Costa Rica
- Guatemala
- Costa Rica
- Honduras
- Panama
- Ecuador
- Colombia
- Chile (30%)

Selling terms:

- 30 days, 60 days
- 90 days

Sells through own personnel.

Has 800 client(s).

Sells private enterprises, 90%.

Sells government, 10%.

Sales are steady throughout the year.

Major Customers

Sells mainly to:

Name	%	Location
FABRICANTES REGIOS DE MUEBLES, S.A. DE C.V.	3	Monterrey, Nuevo Leon, Mexico
MUEBLES FINOS PARA EL HOGAR, S.A. DE C.V.	2	Guadalajara, Jalisco, Mexico
MUEBLERIA FORTUNA, S.A. DE C.V.	3	León, Guanajuato, Mexico
COMERCIALIZADORA ARELL, S.A. DE C.V.	2	México, Ciudad de Mexico, Mexico
ARELL DEL NORTE, S.A. DE C.V.	2	Monterrey, Nuevo Leon, Mexico
GOBIERNO DEL ESTADO DE JALISCO	2	Guadalajara, Jalisco, Mexico
GOBIERNO DE LA CIUDAD DE MEXICO	1	México, Ciudad de Mexico, Mexico
GOBIERNO DEL ESTADO DE NUEVO LEON	1	Monterrey, Nuevo Leon, Mexico
ALMACEN NACIONAL DE APARATOS PARA EL HOGAR, S.A. DE C.V.	2	Hermosillo, Sonora, Mexico
SURTIDOR MEXICANO DEL HOGAR, S.A. DE C.V.	3	Culiacán, Sinaloa, Mexico
CIA. COMERCIAL DON TOÑO, S. DE R.L. DE C.V.	2	Aguascalientes, Aguascalientes, Mexico

Purchases

Purchases from 800 suppliers.

85% of purchases from national suppliers.

Payment terms from 30, 45 to 60 days.

15% of purchases from foreign suppliers; payment terms from 30, 60 a 90 days.

Imports from :

- United States
- Canada
- China
- South America 100%

Purchases mainly from:

MADERAS Y TRIPLAY DEL NORTE, S.A. DE C.V.

TORNILLOS Y DERIVADOS METALICOS, S.A. DE C.V.

HERRAJES NACIONALES DE MEXICO, S. DE R.L. DE C.V.

LAMINADOS DE ALTA CALIDAD, S. DE R.L. DE C.V.

MADERAS Y LAMINADOS DE MONTERREY, S. DE R.L. DE C.V.

TRIPLAY MUEBLERO NACIONAL, S.A. DE C.V.

MADERAS NACIONALES DE ALTA CALIDAD, S.A. DE C.V.

FORESTAL DEL NUEVO MILENIO, S.A. DE C.V.

MADERAS FINAS DEL SUR, S.A.C.

FORESTAL DO BRASIL, S.A.

LAMINADOS SUDAMERICANOS, LTD

MADERAS DEL RIO DE LA PLATA, S.A.

Employees

Total 750.

Employees at present location: 50.

Employees peak to 800.

Insurance

The company is insured with:

Insurance Company	Location	% of total coverage	Risk
AXA SEGUROS, S.A. DE C.V.	Guadalajara, Jalisco, Mexico	70%	Covering transportation equipment for \$45,000,000
MAPFRE MEXICO, S.A.	Guadalajara, Jalisco, Mexico	13%	Covering transportation equipment for \$8,000,000
SEGUROS ATLAS, S.A.	Guadalajara, Jalisco, Mexico	7%	Covering transportation equipment for \$4,500,000
GRUPO NACIONAL PROVINCIAL, S.A.B.	Guadalajara, Jalisco, Mexico	10%	Covering malicious damage for \$6,500,000
PRIMERO SEGUROS, S.A. DE C.V.	Guadalajara, Jalisco, Mexico	100%	Covering performance bonds

LOCATION

Branches

The subject maintains 8 branch(es)

These are some of them:

Name: Muebles Arell, S.A.P.I. de C.V.
D-U-N-S: 817593321
Location: Madero No. 100, Col. Moderna, Monterrey, Nuevo Leon, Mexico
Type of installation: Maintains plant.
Details: There are 160 employees in this location

Name: Muebles Arell, S.A.P.I. de C.V.
Location: Manantiales No. 50, Col. Juan Escutia, México, Ciudad de Mexico, Mexico
Type of installation: Maintains plant.
Details: There are 150 employees in this location

Name: Muebles Arell, S.A.P.I. de C.V.
D-U-N-S: 817593322
Location: Salamanca No. 30, Col. Los Balcones, León, Guanajuato, Mexico
Type of installation: Maintains plant.
Details: There are 135 employees in this location

Name: Muebles Arell, S.A.P.I. de C.V.
D-U-N-S: 817593323
Location: Av. Centenario No. 154, Centro, Puebla, Puebla, Mexico
Type of installation: Maintains sales office.
Details: There are 16 employees in this location

Name: Muebles Arell, S.A.P.I. de C.V.
D-U-N-S: 817593324
Location: Av. del Maestro No. 73, Col. Jardines de la Hacienda, Mérida, Yucatan, Mexico
Type of installation: Maintains sales office.
Details: There are 16 employees in this location

Name: Muebles Arell, S.A.P.I. de C.V.
D-U-N-S: 817593325
Location: Av. 5 de Febrero No. 278, Col. Centro, Veracruz, Veracruz, Mexico
Type of installation: Maintains sales office.
Details: There are 17 employees in this location

Name: Muebles Arell, S.A.P.I. de C.V.
D-U-N-S: 817593326
Location: Francisco Villa No. 71, Col. Centro, Tijuana, Baja California Norte, Mexico
Type of installation: Maintains sales office.
Details: There are 16 employees in this location

Name: Muebles Arell, S.A.P.I. de C.V.
D-U-N-S: 817593327
Location: Av. 16 de Septiembre No. 14, Col. Centro, Morelia, Michoacan, Mexico
Type of installation: Maintains sales office.
Details: There are 15 employees in this location

Previous Address

Av. Antonio Díaz Soto y Gama No. 143
Ricardo Flores Magón
Col. 44240, Guadalajara, Jalisco
Mexico

Postal Address

Durango No. 263
Cuauhtémoc
Col. 06700, México, Ciudad de Mexico
Mexico

Fiscal Address

Durango No. 263 Piso 5
Col. Roma, Cuauhtémoc
Col. 06700, México, Ciudad de Mexico
Mexico

Location

At this address the subject maintains the administrative offices, a plant, a warehouse located one building on land of 5000 square meters.

The subject occupies premises of 3800 square meters

FINANCIAL INFORMATION

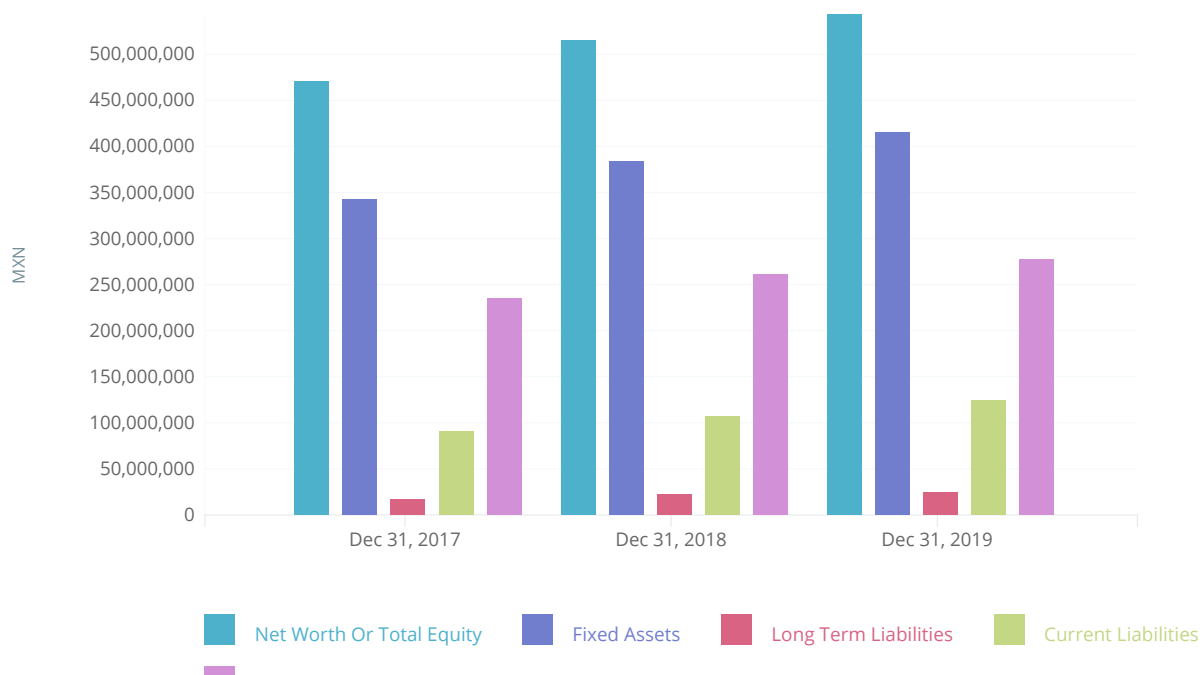


COMPARATIVES (MXN)

	Fiscal consolidated Dec 31, 2017 Units MXN	Fiscal consolidated Dec 31, 2018 Units MXN	Fiscal consolidated Dec 31, 2019 Units MXN
Current Assets	235,059,388	260,686,275	277,328,256
Current Liabilities	90,236,308	106,746,568	124,818,950
Working Capital	144,823,080	153,939,707	152,509,306
Fixed Assets	342,974,119	383,738,191	414,952,437
Net Worth or Total Equity	470,871,278	515,504,941	543,071,490
Net Sales	399121947	427060483	462783505
Net Income	16,477,527	20,315,664	27,566,549
Profit Margin: Net Income / Sales	4.13%	4.76%	5.96%

	Fiscal consolidated Dec 31, 2014 Units MXN	Fiscal consolidated Dec 31, 2015 Units MXN	Fiscal consolidated Dec 31, 2016 Units MXN
Current Assets	188,141,682	215,221,667	230,287,184
Current Liabilities	87,648,685	95,816,077	102,523,202
Working Capital	100,492,997	119,405,590	127,763,982
Fixed Assets	318,323,552	332,974,873	356,283,114
Net Worth or Total Equity	408,816,549	435,622,125	466,115,674
Net Sales	354,036,625	383,453,316	410,295,048
Net Income	15,712,986	17,543,576	18,771,626
Profit Margin: Net Income / Sales	4.44%	4.58%	4.58%

HISTORICAL PERFORMANCE: BALANCE SHEET



BALANCE SHEET (MXN)

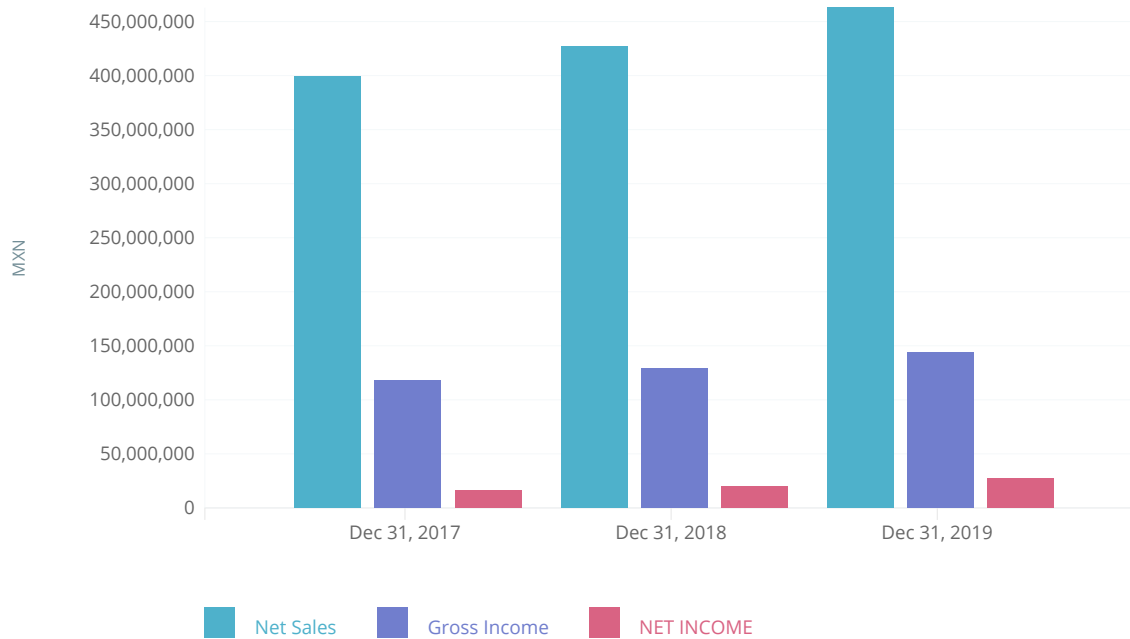
Assets	Fiscal consolidated Dec 31, 2017 Units MXN	Fiscal consolidated Dec 31, 2018 Units MXN	Fiscal consolidated Dec 31, 2019 Units MXN
Cash & Banks	133,327,102	146,993,270	151,403,068
Clients	58,458,258	65,465,754	68,084,384
Intercompany	1,947,715	2,045,101	2,372,317
Inventory	39,880,851	43,868,936	50,887,966
Other Current	1,380,249	2,249,958	4,477,413
Surplus Taxes	65,213	63,256	103,108
CURRENT ASSETS	235,059,388	260,686,275	277,328,256
Deferred Assets	9,540,544	10,303,787	11,643,280
Fixed Assets	333,433,575	373,434,404	403,309,157
TOTAL ASSETS	578,033,507	644,424,466	692,280,693
Liabilities	Fiscal consolidated Dec 31, 2017 Units MXN	Fiscal consolidated Dec 31, 2018 Units MXN	Fiscal consolidated Dec 31, 2019 Units MXN
Accounts Payable	33,569,888	39,612,468	43,177,590
Bank Loans	4,385,088	4,911,299	6,040,898
Client Advances	30,368,348	37,353,068	44,823,682
Others	13,453,442	14,126,114	16,810,076
Taxes Payable	8,459,542	10,743,619	13,966,704
CURRENT LIABILITIES	90,236,308	106,746,568	124,818,950
Fixed Liabilities	16,925,921	22,172,957	24,390,253
TOTAL LIABILITIES	107,162,229	128,919,525	149,209,203
Capital Stock	375,682,000	400,000,000	400,000,000

Period Result	16,477,527	20,315,664	27,566,549
Previous Period Result	78,711,751	95,189,277	
TOTAL LIABILITIES AND CAPITAL	578,033,507	644,424,466	692,280,693

Assets	Fiscal consolidated Dec 31, 2014 Units MXN	Fiscal consolidated Dec 31, 2015 Units MXN	Fiscal consolidated Dec 31, 2016 Units MXN
Cash & Banks	100,007,078	122,318,442	130,880,733
Clients	52,173,001	54,128,017	57,916,978
Intercompany	1,260,000	1,803,440	1,929,681
Inventory	31,987,816	35,607,903	38,100,456
Other Current	2,655,195	1,299,298	1,390,249
Surplus Taxes	58,592	64,567	69,087
CURRENT ASSETS	188,141,682	215,221,667	230,287,184
Deferred Assets	9,061,062	9,262,664	9,911,050
Fixed Assets	309,262,490	323,712,209	346,372,064
TOTAL ASSETS	506,465,234	548,196,540	586,570,298

Liabilities	Fiscal Consolidated Dec 31, 2014 Units MXN	Fiscal Consolidated Dec 31, 2015 Units MXN	Fiscal Consolidated Dec 31, 2016 Units MXN
Accounts Payable	31,752,614	36,409,857	38,958,547
Bank Loans	4,089,175	4,474,580	4,787,801
Client Advances	31,752,614	33,009,074	35,319,709
Others	12,951,724	14,161,518	15,152,824
Taxes Payable	7,102,558	7,761,048	8,304,321
CURRENT LIABILITIES	87,648,685	95,816,077	102,523,202
Fixed Liabilities	10,000,000	16,758,338	17,931,422
TOTAL LIABILITIES	97,648,685	112,574,415	120,454,624
Capital Stock	366,420,000	375,682,000	375,682,000
Other Capital Accounts			11,721,923
Period Result	15,712,986	17,543,576	18,771,626
Previous Period Result	26,683,563	42,396,549	59,940,125
TOTAL LIABILITIES AND CAPITAL	506,465,234	548,196,540	586,570,298

HISTORICAL PERFORMANCE: PROFIT & LOSS

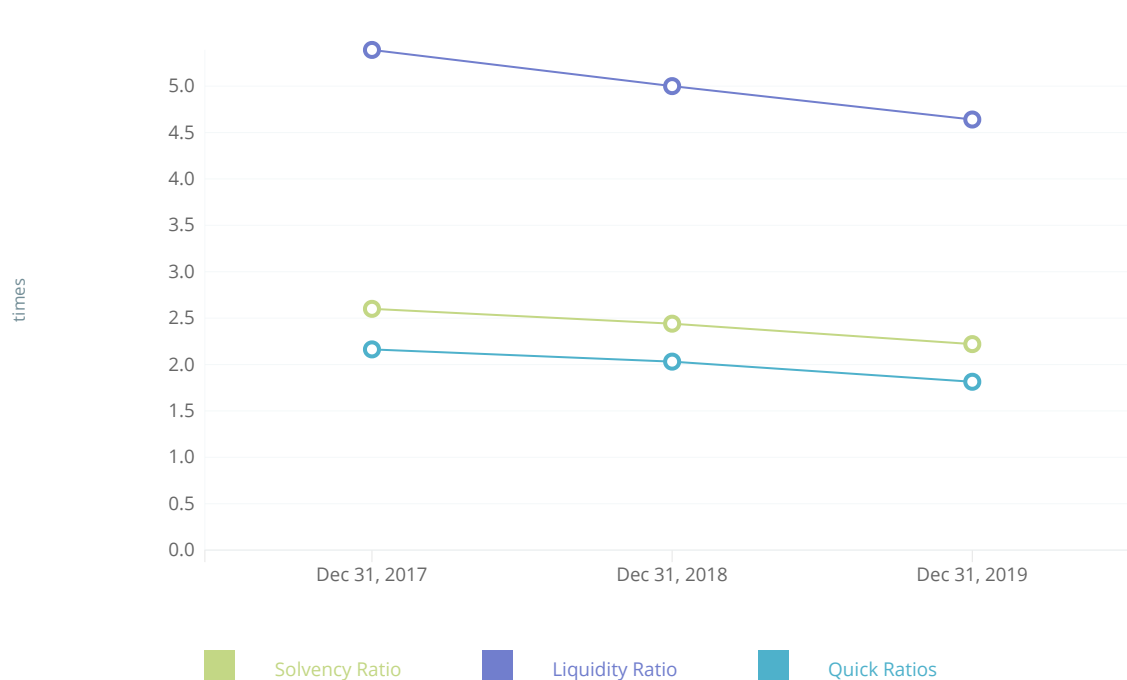


PROFIT & LOSS (MXN)

	Fiscal consolidated Dec 31, 2017 Units MXN	Fiscal consolidated Dec 31, 2018 Units MXN	Fiscal consolidated Dec 31, 2019 Units MXN
Net Sales	399,121,947	427,060,483	462,783,505
Net Sales	399,121,947	427,060,483	462,783,505
Sales Costs	280,788,969	297,636,307	318,470,849
Gross Income	118,332,978	129,424,176	144,312,656
Sales Operations	104,267,688	111,566,427	119,376,076
Total Operating Expenses	104,267,688	111,566,427	119,376,076
Net Operating Income	14,065,290	17,857,749	24,936,580
Financial Expenses	-3,082,533	-3,359,961	-3,595,158
Financial Income	6,055,909	6,419,263	6,868,611
Profit(Loss) in Currency Exchange	-561,139	-601,387	-643,484
Non Operating Income	2,412,237	2,457,915	2,629,969
Pre-Tax Income	16,477,527	20,315,664	27,566,549
NET INCOME	16,477,527	20,315,664	27,566,549
	Fiscal consolidated Dec 31, 2014 Units MXN	Fiscal consolidated Dec 31, 2015 Units MXN	Fiscal consolidated Dec 31, 2016 Units MXN
Net Sales	354,036,625	383,453,316	410,295,048
Net Sales	354,036,625	383,453,316	410,295,048
Sales Costs	246,218,442	264,895,254	283,437,922
Gross Income	107,818,183	118,558,062	126,857,126
Sales Operations	94,939,312	103,235,335	110,461,809

Total Operating Expenses	94,939,312	103,235,335	110,461,809
Net Operating Income	12,878,871	15,322,727	16,395,317
Financial Expenses	-3,126,790	-3,052,013	-3,265,654
Financial Income	6,002,864	5,822,989	6,230,598
Profit(Loss) in Currency Exchange	-41,959	-550,127	-588,635
Non Operating Income	2,834,115	2,220,849	2,376,309
Pre-Tax Income	15,712,986	17,543,576	18,771,626
NET INCOME	15,712,986	17,543,576	18,771,626

LIQUIDITY RATIOS



RATIOS (MXN)

	Fiscal consolidated Dec 31, 2017 Units MXN	Fiscal consolidated Dec 31, 2018 Units MXN	Fiscal consolidated Dec 31, 2019 Units MXN
LEVERAGE			
Debt Over Total Assets	18.54%	20.01%	21.55%
Leverage Ratio	0.23 times	0.25 times	0.27 times
Financial Structure	4.39 times	4.00 times	3.64 times
LIQUIDITY			
Solvency Ratio	2.60 times	2.44 times	2.22 times
Liquidity (Quick Ratio)			
Liquidity Ratio	5.39 times	5.00 times	4.64 times
OPERATION			
Asset Turnover	0.69 times	0.66 times	0.67 times
Long Term Asset Turnover	1.16 times	1.11 times	1.12 times

Average Days Receivable Outstanding	52.73 Days	55.19 Days	52.96 Days
RETURN			
Profit Margin	4.13%	4.76%	5.96%
Return on Assets	2.85%	3.15%	3.98%
Profitability of Capital	3.50%	3.94%	5.08%
	Fiscal consolidated Dec 31, 2014 Units MXN	Fiscal consolidated Dec 31, 2015 Units MXN	Fiscal consolidated Dec 31, 2016 Units MXN
LEVERAGE			
Debt Over Total Assets	19.28%	20.54%	20.54%
Leverage Ratio	0.24 times	0.26 times	0.26 times
Financial Structure	4.19 times	3.87 times	3.87 times
LIQUIDITY			
Solvency Ratio	2.15 times	2.25 times	2.25 times
Liquidity (Quick Ratio)	1.78 times	1.87 times	1.87 times
Liquidity Ratio	4.19 times	3.87 times	3.87 times
OPERATION			
Asset Turnover	0.70 times	0.70 times	0.70 times
Long Term Asset Turnover	1.11 times	1.15 times	1.15 times
Average Days Receivable Outstanding	53.05 Days	50.82 Days	50.82 Days
RETURN			
Profit Margin	4.44%	4.58%	4.58%
Return on Assets	3.10%	3.20%	3.20%
Profitability of Capital	3.84%	4.03%	4.03%

PARTIAL FINANCES

BALANCE SHEET (MXN)

Assets	Interim consolidated Jun 30, 2020 Units MXN
Cash & Banks	157,459,191
Clients	74,892,822
Intercompany	2,585,826
Inventory	53,432,365
Other Current	4,746,058
Surplus Taxes	113,419
CURRENT ASSETS	293,229,681
Deferred Assets	12,015,865

Fixed Assets	409,358,794
TOTAL ASSETS	714,604,340
Liabilities	Interim consolidated Jun 30, 2020 Units MXN
Accounts Payable	47,495,349
Bank Loans	6,222,125
Client Advances	45,720,155
Others	17,818,681
Taxes Payable	15,195,775
CURRENT LIABILITIES	132,452,085
Fixed Liabilities	25,365,863
TOTAL LIABILITIES	157,817,948
Capital Stock	400,000,000
Period Result	13,714,902
Previous Period Result	143,071,490
TOTAL LIABILITIES AND CAPITAL	714,604,340

PROFIT & LOSS (MXN)

	Interim consolidated Jun 30, 2020 Units MXN
Net Sales	242,850,535
Net Sales	242,850,535
Sales Costs	167,834,137
Gross Income	75,016,398
Sales Operations	62,559,033
Total Operating Expenses	62,559,033
Net Operating Income	12,457,365
Financial Expenses	-2,064,646
Financial Income	3,671,273
Profit(Loss) in Currency Exchange	-349,090
Non Operating Income	1,257,537
Pre-Tax Income	13,714,902
NET INCOME	13,714,902

RATIOS (MXN)

	Jun 30, 2020
LEVERAGE	
Debt Over Total Assets	22.08%

Leverage Ratio	0.28 times
LIQUIDITY	
Solvency Ratio	2.21 times
OPERATION	
Asset Turnover	0.34 times
Long Term Asset Turnover	0.58 times
RETURN	
Profit Margin	5.65%
Return on Assets	1.92%

CONCLUSION

The company has a solid financial structure, showing a positive trend for the last three fiscal years in its income and earnings, as well as an increase in its main accounting items, as a result of its focus on its main market lines, leaving aside its non-strategic activities, also driven by the expansion of its markets. It remains a leader in its field, thanks to its vast experience, its relevant presence in the market and the diversification of its activities, maintaining optimum indebtedness, liquidity and solvency levels. Its dependence on a single source of income is practically zero, as it has numerous well-known clients at a national level, without the loss of any of them, which could represent a critical affectation for the business. In terms of its supply chain, it has a wide portfolio of suppliers, which guarantees the prompt supply of its inputs. In relation to its payment behavior, even when it registers some delays, they do not have a relevant effect on its general behavior, since the vast majority of its suppliers classify it as a backbone. Likewise, the lawsuits recorded do not represent a significant risk for the company at an operational or economic level

APPENDICES

Customer Services

Should you require any further information or have any questions, please contact your local Customer Service Centre. Mexican subscribers please contact:

Dun & Bradstreet de Mexico, S.A. de C.V.

Durango 263, 5° Piso

Col. Roma

06700 México, Ciudad de México

Tel: +52 (55) 4166-3000

Tel: +52 (55) 5229-6900

Email: success@cialdnb.com

Website: <https://www.cialdnb.com>

Enquiries should **always** contain the below minimum details please:

- Full Company Name
- Full Headquarters Address
- Telephone Number
- Business Identification Number
- Contact Name
- Reference
- Order Date

D&B MEXICO EMMA Score

D&B EMMA Score (Emerging Market Mediation Alert Score) is a risk assessment model developed for emerging market countries. It is a score developed by data profiling approach and statistical modeling, which predicts the possibility of a business in perilous status of instability or unreliability, such as poor financials, delay payment, stale inventory, abnormal operational status, etc. The EMMA Score provides you with a quick assessment of a business' risk standing, and when used together with other information, allows you to make better risk decisions.

The EMMA Score is based on a scale of 1 to 10, where 1 represents a lower risk and 10 a higher risk.

EMMA Score for Mexico is initially rolled out in 2012, derived from the sample analysis of thousands of company records. When using the Score to make individual applicant decisions, a customized version of this table based on an analysis of the Score against your customer account portfolio is recommended. It does not necessarily mean doing business with a company, which is assigned with higher Risk Score, will result in increased risk. EMMA Score for Mexico is calibrated on regular basis following D&B Global Modeling Methodology that captures business environmental change in Mexico caused by macro economy shift and particular systematic events.

MEXICO EMMA SCORE COMMENTARY

Risk Range	EMMA Score	% of report in Mexican Universe	Commentary
Low Risk Scores	1-3	28.27 %	Lower Risk Range
Medium Risk Scores	4-7	29.58 %	Average Risk Range
High Risk Scores	8-10	42.15 %	Higher Risk Range

The Key Drivers of the EMMA Score include the following:

Business Information

- Legal Form
- Location
- Number of Employees
- Whether the Company has a parent
- Industry

Public Record

- Legal events - suits

Financial Information

- Total Liabilities
- Financial Ratios

Payment Information

- Delinquent Payment Data

EMMA SCORE APPLICATION

- *Low EMMA Score* -May proceed to process the applicant quickly with minimal or no manual review depending on the extent of score validation analysis.
- *Medium EMMA Score* -Medium Risk Scores - Recommend a manual review of the applicant based on the applicant's capacity, your internal policy and risk tolerance.
- *High EMMA Score* -High Risk Scores - Requires thorough manual review of potential decline, or approval depending on the applicant's capacity, your internal policy and risk tolerance.

D&B PAYDEX

The D&B Paydex is the payment performance indicator, weighted by the monetary value of the payment experiences as reported by D&B through credit references, which results in a numerical value. It is developed as a current performance measure based on the payment experiences in the D&B database. Its performance depends on the individual combination of payment experiences of a company, weighted according to their amounts in pesos or dollars.

The D&B Paydex identifies the internal factors that cause risks based on the company's payment records.

The D&B Paydex is based on a scale from 20 to 100.

LA CLAVE DEL D&B PAYDEX

Paydex	Payments
100	Advance payment
90	Discount
80	Prompt
70	15 days after term
60	22 Days after term
50	30 Days after term
40	60 Days after term
30	90 Days after term
20	120 Days after term
UN	Unavailable

INTERPRETATION AND ANALYSIS OF RISK ASSESSMENT MATRIX

Classifications	Risk Level	Description	Credit Policy
Quality group	AA->AB	The business is solid, and the bills are paid on time; therefore, it has a good credit reputation.	Credit policies can be granted with automatic approval.
Low risk group	BA->BB->AC	The business operates with little risk, although there are some delays in its payment history.	A pertinent credit policy is suggested, with some manual revisions.
High risk group	CA->BC->CB	The business operates with significant risk and there are some considerable delays in its payment history.	A strict credit policy is suggested, with a detailed manual review.
Monitoring group	CC	The business operates with a higher risk and there is the possibility of presenting a severe delay or failure to pay its bills.	It is suggested to avoid sales on credit and prefer cash agreements.

*Risk levels are listed in order of risk from low to high.

The Risk Assessment Matrix is a tool to investigate the insight of a subject and combined with EMMA Score and PAYDEX® EMMA Score can indicate the risk level of subject. With the help of PAYDEX® one can also further analyze subject's risk and find out the internal factors causing risks based on the payment records of subject. In summary, the assessment matrix can make further insightful analysis towards the enterprises with similar EMMA Scores.

When using EMMA Score and Risk Assessment Matrix, the combination of other information, such as internal assessment policy of enterprise, commercial information provided by D&B, and feedback from the people who directly contacts with subject, etc., is recommended. This information will allow you to make suitable risk decisions.

D&B RATING GLOSSARY

The following ratings are available for businesses in Mexico:

D&B Rating- The D&B® Rating in Mexico consists of 2 parts, the Financial Strength Indicator and the Risk Indicator. The Financial Strength Indicator is based on Net Worth of a current fiscal balance sheet. The table below contains the values for the D&B Rating in Mexico.

Financial Strength Indicator

Range MXN			Composition of Risk Indicator			
Net Worth	From	To	Strong	Good	Fair	Poor
5A	511,490,000	And above	1	2	3	4
4A	102,298,000	511,489,999	1	2	3	4
3A	15,345,000	102,297,999	1	2	3	4
2A	7,672,000	15,344,9999	1	2	3	4
1A	3,836,000	7,671,999	1	2	3	4
A	1,923,000	3,835,999	1	2	3	4
B	962,000	1,922,999		2	3	4
C	481,000	961,999		2	3	4
D	246,000	480,999		2	3	4
E	123,000	245,999		2	3	4
F	61,000	122,999		2	3	4
G	Up to	60,999		2	3	4
O	Balance Sheet not available.					

Risk Indicator	Condition	Level Risk	Interpretation
1	Strong	Minimum Risk	Grant Credit - offer more enlarged terms if necessary
2	Good	Risk Low	Grant Credit
3	Fair	Slightly bigger than the average Risk	Grant Credit, but monitored
4	Poor	Meaningful Risk	Examine each case before granting credit, get more market information, and analyze other suppliers. Ask for assurance if necessary due to the high risk.
S	Service Companies	By the business nature, do not sign risk level	Companies that do not request credit in their normal activities (Banks, Brokerages, Insurance Co., Schools, Associations, Government, etc...)
-	Undetermined	Unknown Risk	Insufficient Information

An 'S' Risk Indicator is only assigned in conjunction with a Financial Strength Indicator (e.g. 5A-S, 4A-S, F-S, O-S)

Risk Indicator- Used in conjunction with the Financial Strength Indicator. The Risk Indicator reflects D&B's opinion of the risk associated with trading with a specific business, notably the likelihood of business continuance or failure over the next 12 months.

ALTERNATE RATINGS USED

--	No information available
NB	New Business: Less than 30 months
BR	Local Branch
FB	Foreign Branch
NQ	Out of Business: Business has ceased to trade
N4	Negative Net Worth

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