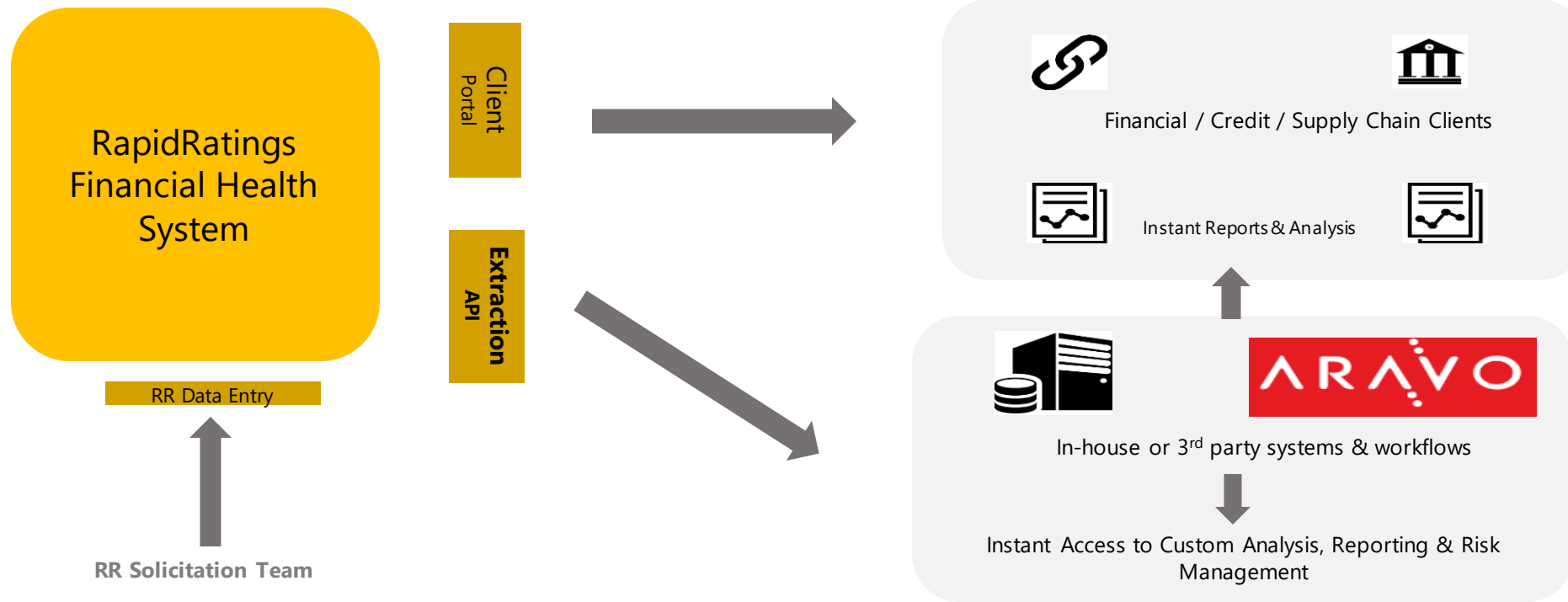




## API Integration

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Regardless of entry point, RapidRatings financial health ratings data and content analysis is consumed via the client portal and related reports are available there. This data often undergoes further downstream analysis and/or is updated to internal systems (or 3<sup>rd</sup> party platforms like a GRC, Vendor Risk Platform).

The Extraction API allows all clients to integrate the ratings, performance and financial data for all their rated counter-parties into their internal systems or 3<sup>rd</sup> party platforms and build new custom analysis, reporting and risk management capabilities as well as link to the FHR and Financial Dialogue reports accessed by RR Web Portal permissioned users.

## Extraction API Performance Indicators

<b>FHR Rating</b>	Financial Health Rating. RapidRatings' unique indicator of the financial health of a company represented on a scale of (1-100; 1=lowest financial health, 100=highest financial health)
<b>FHR Delta</b>	The change in the FHR score (+/-100) since the same period 1 year previous
<b>CHS Rating</b>	CHS Core Health Score™ Rating. a number on a scale of 1-100 indicating the core health of the company. This value shows your customer the actual health of a company irrespective of its cash position. (1-100)
<b>Simulated FHR</b>	The Financial Health Rating of the company when abnormal / extraordinary / temporary items are excluded. (1-100)
<b>Simulated FHR Delta</b>	The change in the Simulated FHR score (+/-100) since the same period 1 year previous
<b>PD (/ EPD)</b>	(Estimated) Probability of Default. The estimated % probability that the company will default in the 12 months following the date of rating
<b>Term PD</b>	Term Probability of Default. The estimated % probability that the company will default in each of the 2 - 10 years following the date of rating
<b>Operating Profitability</b>	A number on a scale of 1-100 reflecting the company's Operating Profitability
<b>Net Profitability</b>	A number on a scale of 1-100 reflecting the company's Net Profitability
<b>Capital Structure Efficiency</b>	A number on a scale of 1-100 reflecting the company's Capital Structure Efficiency
<b>Cost Structure Efficiency</b>	A number on a scale of 1-100 reflecting the company's Cost Structure Efficiency
<b>Leverage</b>	One-word assessment of the company's use of, and ability to leverage. [Weak, Average, Strong]
<b>Liquidity</b>	One-word assessment of the company's liquidity. [Weak, Average, Strong]
<b>Earnings Performance</b>	One-word assessment of the company's earning's performance. [Weak, Average, Strong]

## Financial Dialogue

Facilitates discussion focusing on 5 top priority items

**RAPIDRATINGS**  
Pioneering Financial Health. We See What Others Don't.  
RapidRatings Financial Dialogue  
Tesla Inc, Nov 21, 2018

**Tesla Inc**

Financial Health Rating (FHR):	34, High Risk	Estimated Probability of Default (EPD):	1.70%
Core Health Score (CHS):	15, Very Poor Health	Financial Period:	September 30, 2018 (Q3 2018)

**High default risk, with very poor Core Health.**

Figure 1: Risk Quadrant Analysis

	Default Risk				
Core Health	Very High Risk (0-10)	High Risk (10-20)	Medium Risk (20-30)	Low Risk (30-40)	Very Low Risk (40-50)
Very Strong Health (40-50)					
Strong Health (30-40)	D		A		
Medium Health (20-30)					
Poor Health (10-20)		C		B	
Very Poor Health (0-10)					

**Section 1: Priority Items for Financial Review**

Table 1 below presents the prioritized review items and recommended questions based on our analysis of the financial statements ending 09/30/2018.

Table 1: Prioritized Items of Concern for Discussion

Items of Concern (%)	
1. Interest Coverage: The company was unable to cover any of its interest (\$495 M) with operating profit as it is currently running with an operating loss (-\$5,402 M). Do you expect your interest obligations to change materially over the next year, and do you expect to cover this through operating profit or cash balances?	See Page 2
2. Leverage: The company has a significant level of debt at \$11,779 M, which is 42% of total assets. Do you expect to maintain this level of leverage for the next 12 months?	See Page 3
3. Profit Margins: Profitability performance was poor. Both the company's operating profit margin (-4%) and net profit margin (-10.2%) show a loss. What caused the losses and do you expect to generate a positive return next year?	See Page 4
4. Working Capital: The company's Current Ratio is 0.81x, and this is down on last period (2.08x). What is your target Current Ratio and will you reach this level of working capital in the next 12 months?	See Page 5
5. CFO: Cash from Operations (CFO) for the period is positive (\$1,379 M), however was still only 0.14x of current liabilities. What are your expectations for CFO in the next fiscal year?	See Page 6

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## Financial Health Report

Provides full corporate financial risk analysis using financial statements

**RAPIDRATINGS**  
Pioneering Financial Health. We See What Others Don't.  
The FHR™ Report  
Corporate Risk Analysis

**Tesla Inc**

**High default risk, with very poor Core Health.**

Our View: Tesla Inc's Financial Health Rating (FHR™) was an unimpressive 34 (worst, 100=best) for the four quarters ending September 30, 2018, and represents no change since previous period. This rating sustains the company in the top half of our High Risk group, with an estimated probability of default of 1.70% over the next 12 months. This FHR and the default risk level are the result of Very Poor Core Health and current weakness in leverage, liquidity and earnings performance.

Financial Period: Sep 30, 2018, (Fiscal Q3 2018)  
FHR Release Date: November 05, 2018  
Ticker: TSLA  
Sector: Autos and Related Equipment  
Address: 3500 Deer Creek Road, Palo Alto, CA 94304, United States.

FHR: 34  
Risk Level: High Risk  
Estimated Probability of Default: 1.70%  
Annual Delta: Flat  
Core Health: 15 (Very Poor Health)

Table 1: Key Data and Ratio (USD \$)

	2018	2017	Q3 2018
Financial Health Rating	34	34	34
Core Health Score	15	14	15
Simulated FHR	40	38	34
Total Assets (\$)	22.66	28.85	26.26
Total Liabilities (\$)	26.75	23.52	28.42
Total Revenues (\$)	7.00	11.76	12.52
EBITDA (\$)	0.40	-0.50	-0.49
Total Rev / Total Asset	0.31	0.41	0.40
Capex / Total Rev (%)	-8.53	-13.80	-7.99
Capex / Interest Exp.	-8.86	-4.46	-0.21
PCA / Total Debt	-0.20	-0.40	-0.13
ROCE (%)	-5.28	-10.28	-7.99

Figure 1: FHR Trend, Q3 2010 to Q3 2018

Figure 2: Core Health and Default Risk Quadrant Analysis

	Default Risk				
Core Health	Very High Risk (0-10)	High Risk (10-20)	Medium Risk (20-30)	Low Risk (30-40)	Very Low Risk (40-50)
Very Strong Health (40-50)					
Strong Health (30-40)	D		A		
Medium Health (20-30)					
Poor Health (10-20)		C		B	
Very Poor Health (0-10)					

Quadrant C: These companies demonstrate poor to very poor Core Health (suggesting the need for efficiency improvements) combined with a high to very high risk of default over the next year.

The Core Health Score (CHS) is a measure of medium-term sustainability based on operational efficiency and competitiveness.

The Financial Health Rating (FHR) is a measure of default risk in the short-term. It is derived from Core Health and Resilience analysis, which incorporates a company's ability to meet internal and external obligations in the short-term.

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RapidRatings web portal users can authenticate via link inside partner platform



Financial Analysis

Financial Assessments

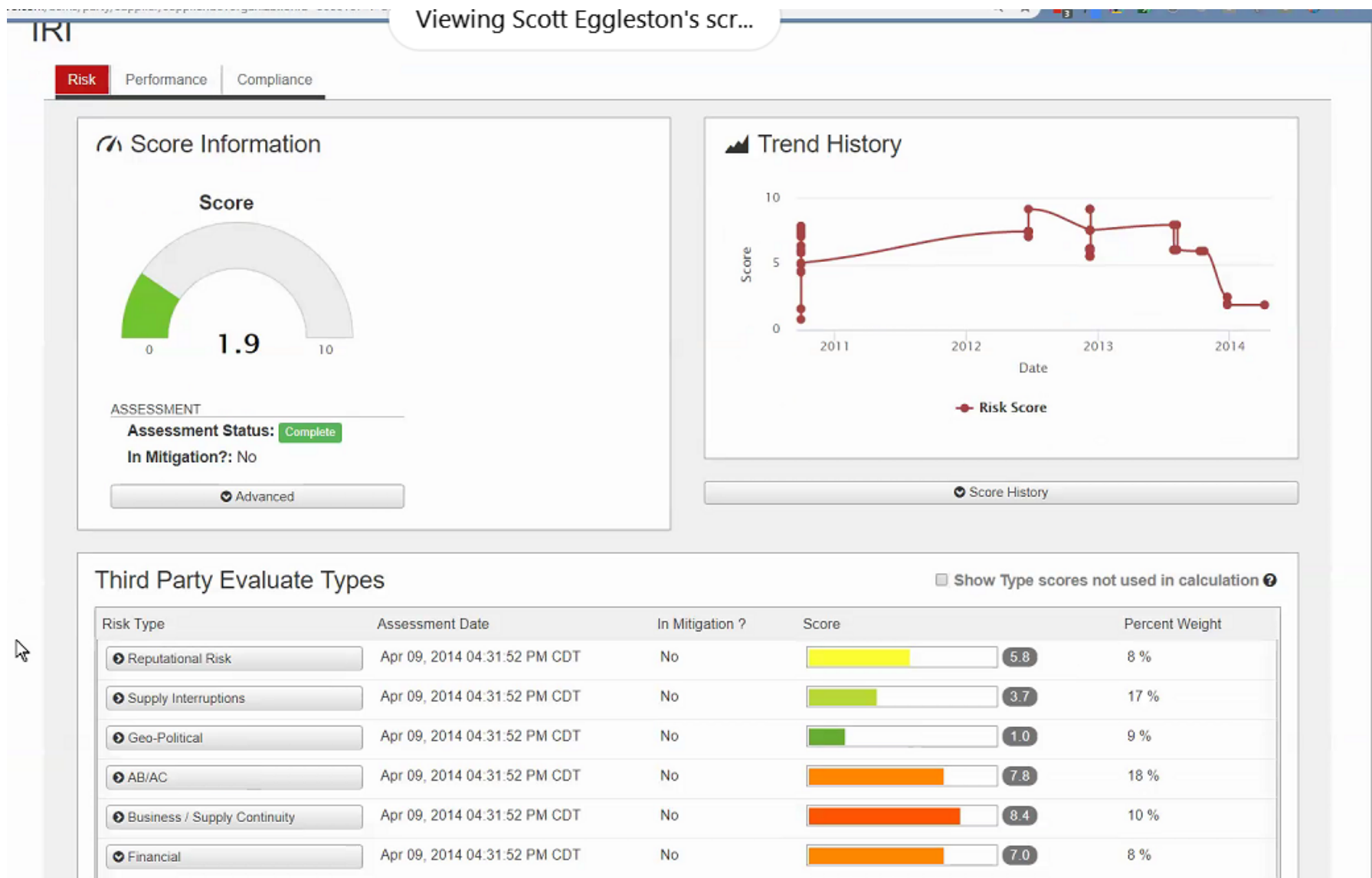
Filter Results:

Company Name	Exchange	Ticker	Sector	Period	Reporting Period	FHR	CHS	PD	Annual Delta	Simulated FHR	Simulated Annual Delta	Operating Profitability	Net Profitability	Capital Structure Efficiency
HONEYWELL INTERNATIONAL INC	US	HON	Multi-Sector and Other Miscellaneous	06/30/2018	07/23/2018	85	75	0 (%)	-1	85	-2	70	87	18



# Bulk Import – Update Third Parties Data Template

	A	B	C	D	E	F
1	<b>START HERE:</b>					
2	Step 1: Enter your desired data beginning in row 10 below.					
3	Step 2: Columns with a heading starting with "#" are ignored. If desired, delete '#' symbol in column title(s) for column(s) to be updated. Also, empty cells are ignored. To remove,					
4	Step 3: Delete rows 1 through 8 in this worksheet.					
5	Step 4: Save this spreadsheet as .XLS format (NOT as XLSX).					
6	Step 5: Login to Aravo, and access the Bulk Import wizard. Select "Update".					
7						
8	Identifier (Text Field) *	Full legal name (Text Field)	RapidRatings FHR Score	RapidRatings CHS Score	RapidRatings Simulated FHR Score	RapidRatings Leverage
9	key.supplier.identifier	#name	ex.RapidRatingsFHR	ex.RapidRatingsCHS	ex.RapidRatingsSimulatedFHR	ex.RapidRatingsLeverage
10	12345	Sample Company Name	85	75	85	Adequate
11						
12						
13						
14						
15						



## Incorporate Financial Health Ratings into your Risk Mgmt Workflow

- Vendor/Supplier Profile: display up to 15 Financial Health Datapoints
- Sourcing
  - No financials provided to RR = red flag
- Rules engines /build Notifications:
  - Very High, High, Downgrades Upgrades, Delta
  - Trigger deeper dives / Assign to colleague
  - Link back capability to FHR Report
  - Run Financial Dialogue / Actionable Next Step / Prescriptive Analytics
  - Copy/Paste Questions and send to Vendor to remediate/answer
- Reporting – Create vendor/supplier view profiles
- Dashboards - Display High & Very High risk Suppliers
- BI/Other Data mashups – Internal Data or Other Risk Ratings

