



Libyan International Medical University
Faculty of Business Administration
Department of Finance and Bank
Management Graduation Project



Impact of COVID-19 Pandemic on Liquidity and Profitability
of Pharmaceutical Firms in Europe
(2018-2021)

Supervised by Dr. Mohammed Abbas
Co- Supervised by prof Dr. Sabri Elkrghli

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ID: 2416
Spring 2023

Dedication

This capstone project is dedicated to my family and friends, who have been consistently encouraging and helpful during this course of study. As a way of saying thanks to them for their understanding and support over the last several months, I would want to dedicate my work to my instructors, specifically Dr. Mohammed Abbas and Dr. Sabri Elkrghli.

Acknowledgement

First and foremost, I want to give Allah (SWT), the Almighty, credit and thanks for the favors He bestowed upon me during my research, enabling me to successfully finish the project.

I want to convey my sincere gratitude to my supervisor, Dr. Mohammed Abbas, for allowing me the chance to do research and for his helpful advice throughout the process. I have been greatly inspired by his vision, genuineness, and drive. Working and studying under his direction was a wonderful honor. He has given me so much, and I am really appreciative. Additionally, I want to thank him for his companionship, compassion, and wonderful sense of humor. In addition, I want to thank my co-supervisor, Prof. Dr. Sabri Elkrghli. The dean of the faculty. He has been a huge assistance to me during the entire study process. I am appreciative that the Libyan International Medical University provided me with this opportunity.

I am extremely thankful for my parents' affection, prayers, concern, and sacrifices made for my development and future preparation.

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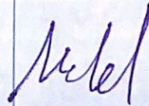

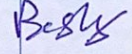
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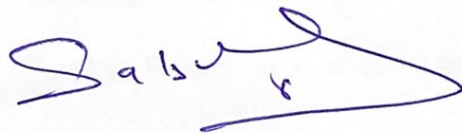
Thesis Title: Impact of COVID-19 Pandemic on Liquidity and Profitability of Pharmaceutical Firms in Europe

Signature of Student.....

Acceptance and Approval

The graduation project titled: Impact of COVID-19 Pandemic on Liquidity and Profitability of Pharmaceutical Firms in Europe has been prepared by: Mohammed El-Werfalli.

Project Committee	Accept	Reject
Dr. Mohammed Abbas (Supervisor)		
Prof. Dr Sabri Elkrghli (Co-supervisor)		
Dr. Bashar Almansour (Examiner)		



Prof. Dr. Sabri Elkrghli

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Abstract

This study investigates how the COVID-19 pandemic has impacted the pharmaceutical firm profitability and liquidity inside Europe. The study is crucial as it shows how widespread the COVID-19 pandemic is and its impact on European businesses' profitability and liquidity. Financial ratios; the liquidity ratio (LR) and return on equity (ROE) are the variables that were used in the study. For this purpose, data collected from the annual report of European pharmaceutical firms for the period 2018 – 2021, both the pre-COVID-19 pandemic era (2018–2019) and during the COVID-19 pandemic period (2020–2021). T-test was used for testing the research hypotheses. The results of the present study demonstrate that after COVID-19, there is a significant increase in both liquidity and profitability of European pharmaceutical firms. The findings of this study have consequences for policymakers, regulators, analysts, managers and investors. The study's current gap is that it only utilized return on equity (ROE) as a measure of profitability and did not consider the return on asset (ROA) as a measure of profitability.

Key words: COVID-19, Liquidity, Profitability, Pharmaceutical Firm, Europe.

المخلص

تبحث هذه الورقة في كيفية تأثير جائحة فيروس كورونا على ربحية شركات الأدوية وسيولتها داخل أوروبا. الدراسة مهمة لأنها توضح مدى انتشار جائحة فيروس كورونا وكيف كان له تأثير على ربحية وسيولة الشركات الأوروبية. تم استخدام كلا من السيولة والربحية متمثلة في العائد على حقوق الملكية كمتغيرات مستقلة في هذه الدراسة. الفترة المستخدمة في هذه الدراسة كانت أربع سنوات، سنتين قبل فيروس كورونا (2018-2019) وسنتين خلال وبعد فيروس كورونا (2020-2021). تم الحصول على بيانات الدراسة من التقارير السنوية لشركات الأدوية الأوروبية. تم فحص واختبار البيانات عن طريق اختبار المقارنة. تظهر نتائج الدراسة أن فيروس كورونا كان له تأثير كبير على سيولة الشركة وربحيته في أوروبا لجميع دول أوروبا ولكل دولة على حدة. نتائج هذه الدراسة لها أهمية لصانعي السياسات والمنظمين والمحللين والمديرين والمستثمرين. تتمثل محددات هذه الدراسة في أنها استخدمت فقط العائد على حقوق الملكية كمقياس للربحية ولم تستخدم العائد على الأصول مقياساً للربحية.

الكلمات الدالة: فيروس كورونا، السيولة، الربحية، شركات الأدوية، أوروبا.