PAPER

Research on Financial Risk Management of Wen's Enterprise Based on Factor Analysis Method

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ABSTRACT

This study aims to improve the financial risk management level of listed livestock enterprises and selects Wen's Group as the research object to assess its financial risk in four aspects: growth, profitability, operation, and debt repayment. The publicly disclosed data for the first quarter of 2017–2023 are analyzed by factor analysis, and the following conclusions are drawn: (1) From 2017 to 2020, the company's financial composite score is basically stable but stays at a low level; (2) Wen's enterprises have multidimensional problems in terms of growth, profitability, operation, and debt repayment; (3) it is recommended to improve the management of accounts receivable and inventories, increase the liquidity of assets, optimize asset utilization, and develop effective growth strategies. It is critical to conduct regular financial health checks to address issues and improve financial performance in a timely manner. In order to achieve transformation and upgrading, strengthen disease prevention and control, improve cooperative relationships with farmers, diversify investment risks, avoid policy risks, improve efficiency, and cope with emergencies, Wenzhou enterprises need to take effective measures.

KEYWORDS

listed livestock enterprises, Wen's Group, financial risk management research, factor analysis method

1 INTRODUCTION

The no. 1 document of the central government in 2023 pointed out that it is necessary to cultivate new industries and new business forms in the countryside and continue to support the strong towns of agricultural industries, modern agricultural industrial parks, and advantageous characteristic industrial clusters, which, among other things, has made instructions for livestock enterprises to become bigger and stronger [1]. In recent years, the rapid development of livestock enterprises has made great contributions to China's agricultural economy. On the one hand, the leading agricultural enterprises to take the lead among the advanced fields, the solution

to the agricultural necklace problem for China's livestock enterprises to establish their own technological advantages with a positive role [2], on the other hand, represented by the Wenshih Group's "company + farmers" model of promotion and innovation has created conditions for livestock enterprises to intensify production, and the effect of agricultural scale has gradually appeared [3]. However, livestock enterprises are generally characterized by natural conditions dependence, high production costs and long production cycles [4], so much so that the risk management approach of livestock enterprises in the industry is often dominated by corporate financial risk management. Especially after the African swine fever and the new crown epidemic, the hidden dangers of the development of animal husbandry enterprises are transmitted from the production side to the management side, and there are cumulative and complex effects [5], for this reason, this paper takes Wen's Group as an example, and analyzes the publicly disclosed data of Wen's Group, and takes listed companies, such as New Hope and Makuhara, as comparative objects, with the intention of helping the same type of enterprises to establish and improve the financial risk management system in order in order to be able to reduce the probability of the occurrence of risks in livestock enterprises and reduce the losses after the occurrence of risks in livestock enterprises.

The main contributions of this paper are: firstly, it establishes a risk management evaluation index system for animal husbandry enterprises. By drawing on the research of scholars such as Wang Zhuquan and Song Xiaobin (2020) [6], Yang Guijun (2019) [7], Shi Lisha and Chen Hong (2015) [8] and other scholars, this paper synthesizes the industry characteristics and specifics of animal husbandry enterprises and evaluates the listed animal husbandry enterprise, Wenshih Group, from the four dimensions of solvency, operating ability, profitability, and development ability, respectively, and establishes, by means of four first-level indexes and 10 second-level indexes, the livestock enterprise financial risk evaluation index system. Secondly, the risk management evaluation system of animal husbandry enterprises is established. This paper adopts the factor analysis method to establish a comprehensive model for quantitatively evaluating the financial risk management level of animal husbandry enterprises with the publicly disclosed data of listed animal husbandry enterprises from 2014 to 2022 as a blueprint, which further extends the domestic research in related fields. Third, through the application of the pilot, we have realized the risk identification and risk management evaluation of the financial risk management of Wen's Group, determined the focus of the financial risk management reform of Wen's Group, and provided a basis for reference for the reform of the same type of enterprise system in China.

2   CONSTRUCTION OF FINANCIAL RISK EVALUATION SYSTEM FOR WINSOR SHARES

In order to be able to scientifically and reasonably quantify the financial risk of Wen's shares, for this reason, it is necessary to construct the financial risk evaluation system of Wen's shares according to the actual situation and the characteristics of financial risk, which is divided into the following steps.

2.1   Index selection

The four levels of solvency, operating capacity, profitability, and development capacity are crucial when constructing the financial risk evaluation system of Wen's

shares, and this comprehensive approach refers to the research of scholars such as Wang Zhuquan and Song Xiaobin (2020) [6], Yang Guijun (2019) [7], Shi Lisha and Chen Hong (2015) [8] and combines with the specific situation of the enterprise and the characteristics of the industry. In this paper, we have comprehensively assessed the financial status of the company from four aspects, namely, solvency, operating ability, profitability and development ability, and established a financial risk evaluation system.

2.2 Solvency indicators

The main basis for the selection of solvency indicators is that they can reflect whether the company has enough resources to fulfill its financial obligations when facing them, i.e., the solvency of the company is directly related to its financial risk. By evaluating the indicators such as gearing ratio, current ratio, and quick ratio, we can understand the company's liability structure and current asset status.

2.3 Operating capacity indicators

Operating capacity indicators are selected based on how effectively a company manages and utilizes its assets to achieve profitability. Operating capacity indicators, such as total asset turnover, inventory turnover, and accounts receivable turnover, can help identify the efficiency and effectiveness in the company's operations.

2.4 Profitability indicators

Profitability indicators are selected based on an indicator of how much profit a company can make through its normal business activities. Profitability is the key to a company's survival and development, and net sales margin and return on total assets are common indicators used to assess a company's profitability.

2.5 Development capability indicators

Development ability indicators are selected based on the fact that they can measure the company's ability to grow and expand over a period of time. Development capability indicators, such as revenue growth rate and earnings per share growth rate, reflect the future potential of the company.

No single indicator can fully reflect a company's financial position, and only by combining multiple indicators can a company's financial risk be more accurately assessed. Overall, this system covers the main financial activities of the company and can provide investors and management with comprehensive financial information to help them make decisions. The details of this financial evaluation system are shown in Table 1 below.

Table 1. Description of financial risk evaluation indicators of Wen's enterprises

Categories	Index	Calculation Formula
Debt-servicing capacity	Asset-liability ratio	Total liabilities/Total asset value
	Current ratio	Current assets/Current liabilities
	Quick ratios	(Current assets-Inventories)/Current liabilities
Operational capacity	Total asset turnover ratio	Sales revenue/Average total assets
	Inventory turnover ratio	Cost of sales/Average balance of inventories
	Accounts receivable turnover ratio	Net income from credit sales/Average balance of accounts receivable
Earning capacity	Net sales interest rate	Net profit/Net operating income
	Return on total assets	Net profit/Average total shareholders' equity
Development capacity	Revenue growth rate	Revenue growth for the year/Total revenue for last year
	Earnings per share growth rate	Earnings per share growth/Earnings per share for the previous period

2.6　Factor analysis of financial risk evaluation indicators of the Winsor Group

Data source. This paper obtains the publicly disclosed financial data of Winslow shares from the annual reports of listed companies on Winslow's official website for the first quarter of 2017–2023 and uses this 21-quarter period as a research sample for empirical analysis. The sample has no missing values and is more complete.

Factor extraction. This paper carries out factor analysis by transforming 10 financial risk evaluation indicators into ten factors, so as to extract the key factors according to the results of total variance interpretation, as shown in Table 2.

Table 2. Total variance explained

Total Variance Explained									
Component	Initial Eigenvalue			Extract the Sum of the Squares of the Loads			Rotational Load Sum of Squares		
	Aggregate	Percentage of Variance	Accumulation %	Aggregate	Percentage of Variance	Accumulation %	Aggregate	Percentage of Variance	Accumulation %
1	4.397	43.967	43.967	4.397	43.967	43.967	3.000	30.003	30.003
2	2.067	20.670	64.638	2.067	20.670	64.638	2.607	26.069	56.072
3	1.076	10.760	75.398	1.076	10.760	75.398	1.628	16.281	72.352
4	1.043	10.435	85.833	1.043	10.435	85.833	1.348	13.480	85.833
5	0.792	7.918	93.751						
6	0.379	3.785	97.536						
7	0.141	1.405	98.941						
8	0.070	0.702	99.643						
9	0.032	0.322	99.965						
10	0.003	0.035	100.000						

Note: Extraction Methods: Principal component analysis (PCA).

The goal of factor analysis is to reduce the dimensionality of the data by finding the few underlying variables or factors that are hidden behind multiple variables. The total variance explained table shows the amount of variance explained by each factor after factor analysis.

In the above results of the total variance explained table, first of all, it can be seen that there are four factors with eigenvalues greater than 1 after PCA. Based on the principle of selecting the number of factors with eigenvalues greater than 1, it can be determined that the sample data can be divided into four factors.

The first factor can explain 54.403% of the variance, the second factor can explain 20.591% of the variance, the third factor can explain 11.406% of the variance, and the fourth factor can explain 9.118% of the variance. It can be concluded that the first two factors explain about 75% of the total variance, while the first four factors can explain 95.52% of the total variance. Overall, these four factors can explain the variance of the original variables better, meaning that these four factors can represent most of the sample data.

Factor rotation and interpretation. In order to further explain what these four factors represent in practice; it is necessary to view the loadings of each factor on each variable through the factor loading matrix. After excluding the interference factors, the rotated component matrix is shown in Table 3.

Table 3. Component matrix after rotation

Rotated Component Matrix				
	Component			
	1	2	3	4
Current ratio	−0.948			
Asset-liability ratio (%)	0.934			
Quick ratios	−0.906			
Total asset turnover (times)		0.938		
Inventory turnover ratio		0.923		
Accounts receivable turnover ratio		0.721		
Year-on-year growth rate of total operating revenue (%)			0.881	
Earnings per share growth rate (%)			0.641	
Net sales interest rate (%)				0.892
Return on total assets (%)				0.607

Notes: Extraction Methods: principal component analysis; Rotation method: Kaiser standardized maximum variance method. a. The rotation has converged after six iterations.

According to the rotated component matrix, component one is mainly composed the of current ratio, gearing ratio, and quick ratio. Higher current and quick ratios indicate stronger short-term solvency, while lower gearing indicates stronger long-term solvency. Therefore, this factor can be regarded as a "solvency" factor. Component two mainly consists of the inventory turnover ratio, total asset turnover ratio, and accounts receivable turnover ratio. High inventory turnover and accounts receivable turnover indicate high operational efficiency, while high total asset turnover indicates high asset utilization efficiency. Therefore, this factor can be regarded as the "operational capability" factor. Component three mainly consists of revenue growth rate and earnings per share growth rate; therefore, this factor can be regarded as a "development capability" factor. Component four mainly consists

of net sales margin and return on total assets. The higher the net sales margin and return on total assets, the higher the profitability of the company. Therefore, this factor can be regarded as the "Profitability" factor.

The naming of the above factors is in line with the classification of the initially selected financial indicators, and the results show that the selected financial indicators are able to reflect the company's solvency, operating ability, profitability, and development ability well.

Calculating factor scores. In principal component analysis, the score calculation for each component is based on the values of the original variables and the corresponding component score coefficients. Corresponding to each component, the score is a weighted sum of the values of the original variables and the component score coefficients. The matrix of component score coefficients are shown in Table 4.

Table 4. Matrix of component score coefficients

Matrix of Component Score Coefficients				
	Component			
	1	2	3	4
Asset-liability ratio (%)	0.397	−0.098	−0.166	0.026
Current ratio	−0.391	0.042	0.160	0.043
Quick ratios	−0.328	0.028	0.015	0.083
Inventory turnover ratio	−0.036	0.392	−0.138	−0.021
Accounts receivable turnover ratio	0.006	0.254	0.199	−0.033
Total asset turnover (times)	−0.068	0.393	0.005	−0.037
Earnings per share – basic (%)	−0.002	−0.266	0.428	0.261
Year-on-year growth rate of total operating revenue	−0.150	0.089	0.635	−0.172
Net sales margin (%)	0.043	−0.121	−0.178	0.729
Return on total assets	−0.165	0.022	0.249	0.458

Notes: Extraction method: principal component analysis; Rotation method: Kaiser standardized maximum variance method; Component scoring.

Based on the above matrix of component score coefficients, the score is calculated as follows:

Solvency score = 0.397 * Gearing ratio – 0.391 * Current ratio – 0.328 * Quick ratio – 0.036 * Inventory turnover + 0.006 * Accounts receivable turnover – 0.068 * Total asset turnover – 0.002 * Earnings per share-basic + 0.150 * Year-over-year growth rate of gross operating income + 0.043 * Net sales margin – 0.165 * Return on total assets.

Operating capacity score = –0.098 * Gearing ratio + 0.042 * Current ratio + 0.028 * Quick ratio + 0.392 * Inventory turnover + 0.254 * Accounts receivable turnover + 0.393 * Total asset turnover – 0.266 * Earnings per share-basic + 0.089 * Year-over-year growth rate of gross operating revenue – 0.121 * Net sales margin + 0.022 * Return on total assets.

Growth score = –0.166 * Gearing ratio + 0.160 * Current ratio + 0.015 * Quick ratio – 0.138 * Inventory turnover + 0.199 * Accounts receivable turnover + 0.005 * Total asset turnover + 0.428 * Earnings per share-basic + 0.635 * Year-over-year growth rate of gross operating revenue – 0.178 * Net sales margin + 0.249 * Total asset compensation. Return on total assets.

Profitability score = 0.026 * Gearing ratio + 0.043 * Current ratio + 0.083 * Quick ratio – 0.021 * Inventory turnover – 0.033 * Accounts receivable turnover – 0.037 * Total asset turnover + 0.261 * Earnings per share-basic – 0.172 * Year-over-year growth rate of gross operating revenue + 0.729 * Net sales margin + 0.458 * Return on total assets.

The percentage of variance is used to weight each factor to obtain the financial composite score.

Financial composite score = Solvency score * (30.003/85.833) + Operational capacity score * (26.069/85.833) + Development capacity score * (16.281/85.833) + Profitability score * (13.480/85.833)

Analysis of financial composite score results. The financial composite score is obtained by weighting the four factors of solvency, operating ability, profitability, and development ability, and the larger the value, the higher the financial quality of the company. The specific details of each factor and the financial composite score for the first quarter of 2017–2023 are shown in Table 5.

Table 5. Analysis of the results of the financial composite score

Date	Debt-Servicing Capacity	Operating Ability	Development Capacity	Earning Capacity	Financial Composite Score
2017/3/31	−0.8927	−0.9226	−0.4759	0.7513	−0.5645
2017/6/30	−0.9863	−0.4350	−0.5059	1.9619	−0.2647
2017/9/30	−0.5385	0.1769	−0.8414	1.4533	−0.0658
2017/12/31	−0.0965	0.8673	−1.3900	0.7113	0.0777
2018/3/31	0.5817	−0.8391	−0.8661	−2.0709	−0.5411
2018/6/30	0.5079	−0.3048	−0.8075	−1.3610	−0.2819
2018/9/30	0.3156	0.2888	−0.7550	−0.6368	−0.0452
2018/12/31	0.0443	1.0060	−0.7630	−0.5393	0.0916
2019/3/31	0.2610	−2.2565	1.1524	0.5930	−0.2824
2019/6/30	−0.1919	−0.7626	0.2741	0.7599	−0.1274
2019/9/30	−0.3425	0.1106	−0.1351	0.3122	−0.0627
2019/12/31	−0.1693	0.7987	−0.5272	−0.3249	0.0324
2020/3/31	0.3908	−1.1657	−1.5140	−0.9426	−0.6526
2020/6/30	−0.2802	−0.6378	−0.9136	0.5342	−0.3811
2020/9/30	−0.3456	−0.0495	−0.5144	0.9648	−0.0819
2020/12/31	−0.2507	0.8223	−0.1858	0.5706	0.2165
2021/3/31	−2.3258	−0.5231	2.5950	−0.9013	−0.6211
2021/6/30	−1.6070	0.3298	0.8766	−0.5410	−0.3802
2021/9/30	−0.6423	0.8929	0.2216	−0.6071	−0.0067
2021/12/31	−0.2832	1.8068	−0.0065	−1.3216	0.2410
2022/3/31	0.4571	−0.7861	0.7832	−1.4112	−0.1520
2022/6/30	0.7161	0.0640	0.9477	0.1139	0.4674
2022/9/30	1.4960	0.8380	1.1241	0.6624	1.0947
2022/12/31	1.6543	2.0010	1.5560	0.8581	1.6159
2023/3/31	2.5274	−1.3202	0.6706	0.4109	0.6742

As depicted in Figure 1, the changes in solvency, operational capacity, profitability, and development capacity factors of Winnipeg AG show a fluctuating upward trend between 2017 and 2023.
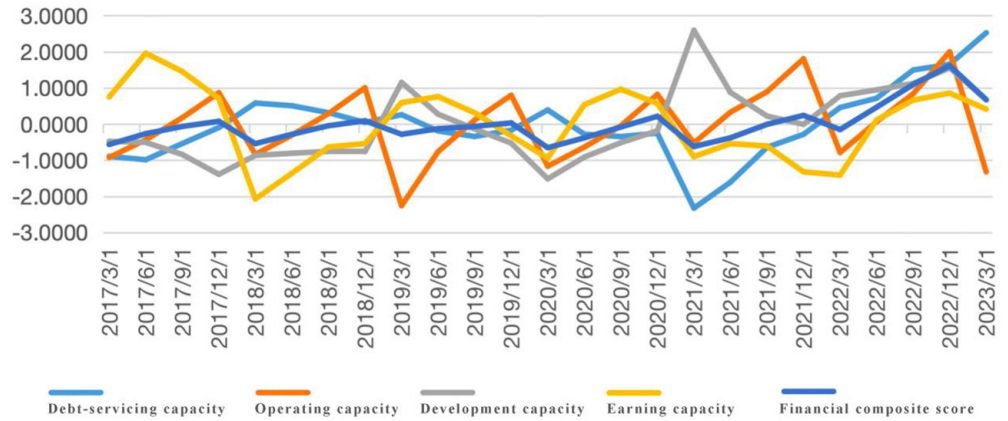

Fig. 1. Factor change diagram based on the results of the factor analysis

This study concludes:

1. Solvency. From 2017 to the beginning of 2023, the solvency index shows an upward trend, which is due to the expansion of the company's scale, the increase of breeding stock, the increase of fixed asset investment, and the rise of equity assets.
2. Operating capacity. Fluctuating trend throughout, but shows an increasing trend of operating capacity from 2022 to 2023, probably due to the company's optimization of its operating processes, operating systems, and technological reforms, etc., and improvement of inventory and accounts receivable turnover ratio.
3. Profitability. Profitability shows an upward trend from 2020 onwards, which is due to the market being in a favorable moment in the hog cycle, with higher pork prices, which is in line with the company's previous strategy of scale expansion.
4. Development capacity. It shows some fluctuations throughout the period, but overall, the development capacity index shows an upward trend from 2019 to 2023, which is due to the fact that the company is expanding its production scale, increasing investment in fixed assets, developing new products and services, etc.
5. The financial composite score remains roughly within the range of –0.5 to 0.2 from 2017 to 2020, during which the company's financial position is relatively stable, but the overall bias is towards lower scores, indicating that the company is under some financial pressure. Starting from 2021, the financial composite score began to rise, although there were still some fluctuations. In the first quarter of 2021, the financial composite score was –0.6211, then rose slightly to –0.3802 in the second quarter, rose further to –0.0067 in the third quarter, and reached 0.2410 in the fourth quarter of 2021, which could reflect the company's operating situation has improved. In 2022, the financial composite score further increased. the score of –0.1520 in the first quarter of 2022, then increased to 0.4674 in the second quarter, further improved to 1.0947 in the third quarter, and reached 1.6159 in the fourth quarter of 2022. This indicates that the financial position of the company has improved significantly in 2022. By the first quarter of 2023, the financial composite score declines slightly to 0.6742 but remains

higher than in previous years. Overall, from 2017 through 2020, the company's financial composite score is essentially stable but slightly lower. Beginning in 2021, the score begins to rise, which could reflect the beginning of an improvement in the company's business conditions, and by 2022 and 2023, the financial composite score improves significantly, indicating further improvement in the company's financial condition.

3   PROBLEMS

Based on the above data analysis, this paper summarizes the following problems of Winslow Group:

1. Profitability is constrained by market price. From the dimension of profitability, Wen's shares, due to the adoption of the "company + farmers" model, the lack of their own self-propagation and self-breeding ability, and profitability is mainly affected by pigs, chickens, ducks, and other livestock and poultry prices. From the historical data, the profitability of wen's shares shows oscillation characteristics, and the cyclical characteristics of livestock and poultry market prices are in line. The company's revenue and profit scale are affected by the market price and the scale of breeding, and the scale of breeding will amplify the impact of market price on the company's revenue and profit. Therefore, profitability is greatly affected by market prices, which is the first big source of financial risk exposure of Wen's shares.

2. operating capacity affected by policy risk. From the operating capacity dimension, due to the rich channel resources of Wen's shares, they have a certain logistics capacity, plus, compared to other peers, they are in the digital operation of the larger investment, so Wen's shares of the operating capacity in recent years showed oscillation to improve the characteristics. However, the sudden policy to limit transportation, such as the new crown epidemic prevention and control blockade, will inevitably reduce the operational efficiency of the enterprise; therefore, the relevant policy risk is the second largest source of enterprise operating capacity risk.

3. The growth capacity of the breeding scale is a hidden danger. From the dimension of growth capacity, in recent years, the company's asset size shows an upward trend. Due to higher market prices in the period, the company, with its strong financing ability and financial capacity, significantly increased capital expenditure. The company's fixed assets and farming scale increased significantly, but, in the market price downturn, the higher scale of farming also magnifies the company's financial risk.

4. Debt service capacity highlights the phenomenon of debt repayment pressure. From the dimension of solvency, in 2022, although the scale of debt declined year-on-year, compared with 2019, it still increased by 76%, and compared with 2018, it still increased by 191.19%. Considering the serious homogenization of the company's main business products, it does not have pricing power; when the market price is low, the company faces greater operating leverage, and the lower market price is bound to impact the company's profitability, affecting the financial soundness and sustainability and negatively affecting the ability to repay debt. Wen's enterprises in the financial risk control problems are mainly manifested in the following aspects: the financial management system is not sound, the financial risk prevention and control mechanism is not perfect, the quality

of financial risk management personnel is not high, and the financial risk management information system is not sound. In addition, the liability structure of Wen's shares is unreasonable, and the pressure of liabilities borne is large. At the end of 2019–2022, the current liabilities of Wen's shares were 13.897 billion yuan, 16.799 billion yuan, 19.685 billion yuan, and 24.951-billion-yuan, accounting for 73.33%, 51.04%, 31.73%, and 45.23% of the total liabilities, and the current liabilities accounted for some Decrease, but still relatively high, the company faces a greater pressure of centralized debt repayment in the short term. At the end of 2019–2022, the company's interest-bearing debt (including long-term and short-term borrowings, transactional financial liabilities, non-current liabilities due within one year, and bonds payable) will be $7.213 billion, $19.575 billion, $38.883 billion, $38.814 billion, and $28.508 billion, respectively, accounting for 38.06%, 59.48%, 62.67%, 62.53%, and 51.67% of the total liabilities. In 2022, the company repaid part of the debt, which made the proportion of interest-bearing debt decrease to 51.67%. However, the overall scale and proportion of interest-bearing liabilities are on the rise, and the pressure of debt service is large.

4   RECOMMENDATIONS FOR COUNTERMEASURES

According to the results of the above analysis, combined with the actual situation of Wen's Group, focusing on the problems of Wen's Group, respectively targeted to give countermeasures recommendations:

1. Strengthen accounts receivable management. With the increasing revenue of Wen's shares, the accounts receivable is growing too fast, indicating that the enterprise needs to make more efforts in managing accounts receivable. As a result, the business needs to ensure that the business's credit policies both help drive sales and collect payments as quickly as conditions allow. In addition, companies may need to consider tighter credit control measures, earlier payment terms, and stricter credit reviews.
2. Strengthen inventory management. A firm's inventory turnover ratio is also highly weighted, indicating that the firm's inventory management strategy needs to be optimized. Therefore, firms need to improve inventory turnover by better forecasting demand, improving productivity, and reducing waste. In addition, firms also need to review their inventories on a regular basis to prevent excessive inventory buildup.
3. Improve the current assets of the firm. In terms of the weighting of the current ratio, firms need to ensure that they have sufficient current assets to meet their short-term liabilities. In recent years, the current liabilities ratio of WEN has been increasing rapidly, and the current liabilities ratio has reached 45.23% at the end of 2022, indicating that there is an urgent need for the enterprise to improve the cash management of the enterprise in order to have sufficient cash to meet short-term liabilities when needed. Therefore, firms should also focus on any long-term debt or large investments in non-current assets that affect the firm's current ratio.
4. Optimize the firm's use of assets. The weighting of total asset turnover and year-on-year growth rate of total operating revenues shows that firms need to focus on improving the efficiency of the firm's asset utilization and optimizing its growth strategy. Therefore, the firm needs to ensure that the firm's assets can be used

efficiently to produce revenue, and the firm's revenue growth strategy should be in a benign state.

Overall, Winchester needs to work on financial risk control. The company not only needs to improve its accounts receivable management and inventory management with a view to improving its liquid assets, optimizing the use of the company's assets, and developing an effective growth strategy. At the same time, the firm also needs to conduct regular financial health checks in order to identify and resolve possible problems so as to improve the financial position of the firm.

5   CONCLUSIONS

For listed animal husbandry enterprises, its own characteristics due to natural dependence, risk management mode is more complex and frequent relative to other enterprises, and financial risk for enterprise risk management there is universality and significance in the characteristics of the financial risk, which makes the financial risk a critical link affecting the risk management of animal husbandry enterprises; animal husbandry business operators need to improve their understanding of the financial risk management of animal husbandry enterprises. Improve the cognition of the livestock enterprise risk warning; the only way the development of livestock enterprises can be more long-lasting. This paper draws the following conclusions through the study of financial risk control of Wen's enterprise:

1. From the growth capacity of Wen's enterprise, profitability, operating capacity, solvency, and other aspects of the analysis of Wen's enterprise financial risk. From the aspect of growth capacity risk, Wen's enterprise is mainly manifested as the breeding scale is too large and easy to hold back the enterprise's own growth during the economic downturn; profitability risk, mainly manifested as a greater impact by the market price; operational capacity risk, mainly manifested as a prominent impact by the relevant policy risk; solvency risk, mainly manifested as the proportion of interest-bearing debt is too large, resulting in the increased pressure on the enterprise's debt repayment.
2. From 2017 to 2020, the financial composite score of Wincell Enterprises is basically stable but slightly lower. From 2021, the score begins to rise, reflecting the fact that the operating conditions of Wen's enterprises begin to improve. By 2022 and 2023, the financial composite score increases significantly, indicating that the financial condition of Winn Enterprises further improves. Therefore, from the financial risk status of livestock enterprises before and after the epidemic, livestock enterprises should focus on the improvement of financial risk management measures, the study of financial risk management theory, the progress of financial risk management practice, and, at the same time, focus on the changes in the external environment, follow up on financial risk management measures in a timely manner, and reform the enterprise financial risk management system and so on, with a view to improving the financial risk management model of the enterprise.
3. Similar listed animal husbandry enterprises should fully learn from the experience and lessons of Wen's enterprises, develop and improve their own financial risk management measures, and optimize their own financial risk management capabilities so as to be able to achieve their own stable operation and sustainable growth under the impact of external risks.

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