

An Overall Analysis of Songcheng Performing Arts

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Abstract. With the establishment and improvement of China's modern enterprise system, enterprise financial analysis has become an important way for business managers, investors and enterprise regulators to grasp the financial status and operating results of enterprises. Through financial analysis, the meaning of financial data itself can be accurately understood, the financial ability of the enterprise can be fully understood, and the foundation can be laid for those of the stakeholders of the enterprise to make financial decisions. From the perspective of an external user of financial statements, based on the relevant theories and research methods of corporate financial management and financial statement analysis, this paper constructs the financial analysis system based on accounting statement analysis, financial index analysis and DuPont financial comprehensive analysis as the core. Through the analysis of the financial statements and annual reports published by the listed company Songcheng Performing Arts in 2016-2020, the company conducts financial evaluation, and analyzes the financial situation, valuation forecast and future aspects of the company for reference.

Keywords: financial report; financial analysis.

1. Introduction

Songcheng Performing Arts is the only A-share performance-oriented theme park listed company, focusing on the main business of performing arts, and constantly upgrading from "one drama, one park, one ticket" to "one cluster, one industry, one platform". Excellent business model gives it excellent expansion ability. With the resumption of the four mature projects after the epidemic, the six new projects landed in 2018-2020 gradually mature. And with the four new projects landed in 2021 to 2023, the company's continuous profit growth in the next 2-4 years has strong certainty. This paper mainly introduces the company's development process, main business and analyzes the company's financial situation, valuation forecast and future points.

2. Industry Environment Analysis

Tourism performing arts is an important carrier for the integrated development of culture and tourism. It has become the core factor [1] of tourism cities and scenic spots to enrich the cultural connotation, improve the urban tourism taste, meet the diversified needs of tourists and increase the stay time of tourists, and has gradually become an important force [2] in the development of tourism economy. International research of tourism performing arts content began in the 1980s. Scholars believe that tourism performing arts is a kind of cultural tourism products, belongs to the scope of cultural tourism [3]. So few scholars will tourism performing arts as a proper term for specialized theoretical research. Research results mainly focus on the authenticity of tourism performing arts [4], tourism performing arts on the development of traditional culture and tourism destination [2,4], etc. The research on domestic tourism performing arts started late, and it is generally believed that the "National Theme Park Entertainment and Performing Arts Seminar" held in June 1998 opened the prelude to the theoretical research of tourism performing arts in China. Scholars have carried out in-depth research on the concept of tourism performance [5], type [6], cultural authenticity [7], product development [8], brand building [9] and tourist satisfaction [10], etc. Facing the new situation of the development of cultural tourism, Songcheng Performing Arts constantly enriches the content of the scenic spot through innovation. On the basis of enhancing the play experience of tourists, it also updates the scenic spot equipment and transforms the amusement experience, so as to attract young

tourists and individual tourists, seek a greater space for development, and realize the leap-forward development of the enterprise [11]. At present, the development of the domestic cultural industry is facing a critical period of strategic opportunities. While combining with the new situation and new requirements, it is necessary to strengthen cultural confidence and cultural consciousness, and promote the transformation and upgrading of the cultural industry under innovation-driven guidance.

The company's leading position in the industry is becoming stable, it began to carry out the national chain operation model of performing arts, increasing the company's market share. With the help of connecting online and offline performing arts, the company not only obtains more resources, but also effectively improves the efficiency of resource allocation. Considering many years of operating practice experience, we can enhance the core competitiveness from the following three aspects, one is a full integration of tourism elements and cultural elements, the second is fully integrated "Internet entertainment platform", the third is to optimize and attach importance to the "theme park + tourism culture performance" business model. Songcheng Performing Arts showed significant competitive advantages in terms of product power, business model and marketing power.

① Products: precise positioning, model innovation

What Songcheng Ancient Love products provide for tourists is not a pure artistic performance, but oriented by the needs of tourists, and provide a cultural leisure and entertainment experience. Easy to understand the historical story line, grand scenes, dazzling sound and photoelectric effects, and a relatively comfortable indoor viewing environment. Enjoying both refined and popular tastes and serving the public have become the precise positioning of eternal love culture performance, and the audience is broader than other series. In terms of product iteration, the series requires the product iteration frequency of "one day, one month, and one year" to keep the freshness; the Lijiang team basically does quality maintenance in a quarter or half a year. In terms of product mode, Songcheng mainly features the innovative combination mode of "theme park + live performance". Live performance has become the main selling point to attract tourists, while theme parks have become a water reservoir of traffic and supporting scenes. The combination mode of "theme park + live performing arts" brings tourists more full sightseeing experience, and also opens up the space for product pricing. And the profitability is significantly improved compared with the single model.

② Business model: heavy asset investment, to the long-term business philosophy to create high-quality products

From the perspective of development status, the barriers of heavy asset model represented by "eternal love" are high. In addition, the company can get all the benefits from the full life cycle of the product, and quality projects in scarce attractions have greater long-term returns. during 2010-2018 and compound growth rate as high as 10%; and correspondingly, viewing the impression (impression series main company) revenue and profit fluctuations

2.1 Financial Statement Analysis

3.1.1 Balance sheet analysis

Balance sheet indicates the financial situation of the enterprise at a certain date (usually at the end of the accounting period) (namely, assets, liabilities and shareholder equity) main accounting statements, according to the relationship between assets, liabilities, owner's equity (or shareholders' equity), and according to a certain classification standard and order, the enterprise assets, liabilities and owner's equity on a certain date. It reflects the overall size and structure of corporate assets, liabilities, and owner's equity.

(1) Asset scale analysis

Table 1: Total classification of assets (unit: million)

	2020	2019	2018	2017	2016
Total current assets	19.13	29.21	28.00	23.06	18.39

Total Non-current assets	72.82	81.20	80.17	64.49	57.28
Total assets	91.95	110.41	108.17	87.55	75.67

Data source: wind

Since 2016, except for the epidemic in 2020, the company's assets have been increasing every year, from 7.5577 million yuan in 2016 to 11.041 million yuan in 2019, an increase of 46%. The reason for the expansion of assets scale lies not only in the capital accumulation of the expansion of assets scale, but also the expansion of the company's operation scale. It can also be seen that the company's material foundation is getting stronger and stronger.

(2) Asset structure analysis

Assets are classified by liquidity, and usually can be divided into current assets and long-term assets. If the proportion of a company's long-term assets is too large, and the proportion of current assets is small, there are often problems in the operation.

3.1.2 Profit statement analysis

The analysis of the income statement is to understand the role of each project in the formation process of the net profit, understand the changes and trend of each project level, and explore the reasons for the change and the impact of this change on the profitability of the enterprise.

(1) Operating income analysis

Table 2: Table of total operating revenue growth level (unit: ten thousand yuan)

Year	2020	2019	2018	2017	2016
Gross revenue	9.03	26.12	32.11	30.24	26.44
Yoy	-65.43%	-18.65%	6.18%	14.37%	

Data source: wind

From 2015 to 2019, the company's operating revenue was 1.695 billion yuan (+ 81.21%), 2.644 billion yuan (+ 56.05%), 3.024 billion yuan (+ 14.36%), 3.211 billion yuan (+ 6.2%) and 2.612 billion yuan (-18.67%), respectively. Among them, the high growth in 2015 and 2016 was caused by the combination of six houses, and the decline in the growth rate in 2019 was caused by the impact that the six houses were no longer included in the scope of the company merger.

In January 2020, when the COVID-19 epidemic broke out in China, the eight scenic spots of the company announced their closure on January 24, and did not fully resume business until June 12. As a result, the company's revenue in 2020 was only 903 million yuan (-65.44%). In the first quarter of 2021, the company's revenue reached 306 million yuan (+ 128.10%) due to the epidemic situation under control in China. From 2015 to 2019, the returnee net profit showed a whole growth trend, and the growth rate also slowed down, with 631 million yuan (+ 74.58%), 902 million yuan (+ 43.10%), 1.068 billion yuan (+ 18.32%), 1.287 billion yuan (+ 20.57%) and 1.34 billion yuan (+ 4.09%), respectively. In 2020, the company's net profit loss of 1.752 billion yuan (down 230.8% year on year), among which the main business of performing arts profit was 110 million yuan. But the impairment of flower housing led to a significant loss in the company's performance.

In general, the company's performance has changed significantly affected by COVID-19, six houses, balance and impairment of houses. In addition, the overall performance continues to improve. We remain optimistic about 2021 and the future development of the company.

Operating income structure analysis

The revenue structure of the company can be divided into live performing arts, Internet performing arts (released in April 2019) and tourism service business (e-commerce commission and asset-light

project planning fees), among which live performing arts is the core revenue source of the company. In 2019, the revenue of live performing arts business was 1.87 billion yuan, accounting for 71.6%, and the revenue of tourism service business was 360 million yuan, accounting for 13.7%. The two combined revenue accounted for 85.2%, is the company's core business. The revenue of Internet performance business was 380 million yuan, accounting for 14.7%.

Cost analysis

Table 3: Total table of cost classification

Year	2020	2019	2018	2017	2016
Total operating cost	7.41	11.48	17.02	17.01	15.11
Cost in business	3.53	7.47	10.78	11.13	10.14
Taxes and Ad- ditional	0.12	0.36	0.32	0.30	0.34
Selling expenses	0.64	1.46	2.88	3.25	2.77
General expenses	2.88	1.88	2.03	2.12	1.69
Research and development ex- penditure	0.37	0.48	0.71		
Cost of financing	-0.13	-0.18	-0.01	0.12	0.13

Data source: wind

The four expense ratio has stabilized, and the expenses will increase significantly in 2020 due to the impact of the epidemic.

① Sales expenses fell after experiencing a significant increase. From 2015 to 2020, the sales expense ratio was 6.29%, 10.46%, 10.76%, 8.95%, 5.57% and 7.05%, respectively. Due to the acquisition of six houses in 2015, the sales expense ratio increased significantly, and the sales expense ratio data in 2017 was basically unchanged from that in 2016. The decline in sales expense ratio in 2019 and 2020 was mainly due to the withdrawal of six houses from the company merger and the impact of the COVID-19 outbreak.

② The management expense ratio remains relatively stable. From 2015 to 2020, the management expense ratio was 7.79%, 6.40%, 7.00%, 6.31%, 7.21% and 31.92%, respectively. In several years, the revenue decreased significantly in 2020 and the adjustment of the operating cost during the closed period during the epidemic period.

③ The financial expense ratio remains relatively low. From 2015 to 2020, the financial expense ratio was 0.07%, 0.51%, 0.38%, -0.03%, -0.68% and -1.42%, respectively. The company's working capital is sufficient, and the financial expense ratio has remained at a low level, among which the 2019 and 2020 were mainly caused by the year-on-year increase in bank deposit interest income during the reporting period.

3.1.3 Cash flow statement analysis

Table 4: Cash flow summary table (Unit: ten thousand yuan)

	2020	2019	2018	2017	2016
Net cash flow generated from operating activities	3.94	15.71	16.47	17.64	10.30
Net cash flow generated from investment activities	-9.41	-11.81	-12.87	-9.35	-12.27

Net cash flow generated from financing activities	1.13	-1.61	-2.62	-3.67	-2.73
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Data source: wind

The company's operating cash flow is abundant. The net cash flow / net profit ratio of operating activities is always higher than 110% after the listing. And the net profit quality is relatively high. In 2020, the net cash flow from operating activities reached 394 million yuan, mainly due to the impact of the epidemic and the fact that Huafang Technology is no longer included in the scope of the company's merger. The company's tourism performing arts business is mainly pay-as-you-go, so the operating cash flow is abundant, and the profit quality is high. From the ratio of cash / operating income received from selling goods and providing labor services, the company has been maintained at more than 100% since its listing. In 2015 – 2019, the ratio was between 102% – 118%, indicating a high quality of its income. From the operating cash flow / net profit ratio, the company has maintained more than 110% since listing. In 2015-2019, the ratio was set at between 112% and 165%, indicating that the company's performance quality is also very high.

3.2.1 Analysis of solvency

(1) Short-term solvency analysis

Between 2016 and 2020, its current ratio was wavy, with the weakest short-term solvency in 2017, but it remained a standard level overall. In terms of the short-term solvency, overall, Songcheng Performing Arts Company is stable and sound in the fund management

(2) Long-term solvency analysis

From 2016 to 2019, compared with the own funds, the capital interest is still at a low level and less debt. Since 2015, the online capital demand and interest guarantee ratio has been increasing, proving that the demand for foreign funds. The company's asset-liability ratio over the years is very low and did not rely on debt to expand the business. Since 2010, the company's debt ratio has not exceeded 19%, and it has remained below 10% in most years. In recent years, the asset-liability ratio of the company after excluding the advance accounts receivable has decreased sharply from 17.8% in 2015 to 7.3% in 2019, with little financial pressure. As of December 31, 2019, the Company has no bank loans and no interest-bearing liabilities.

3.2.2 Operation capability analysis

The company's accounts receivable turnover rate has fluctuated greatly in recent years, declining to 115 in 2018, rising rapidly and reaching 160 at the highest value in 2020. It remained stable in 2016 to 2017, and increased slightly in 2019, indicating that the company lacks the stability of the management of accounts receivable in recent years. The inventory turnover rate was stable between 1 and 3 in 2016 and 2020, and it increased significantly to about 10 in 2020, indicating that the liquidity and liquidity of inventories affected by the epidemic decreased, and the management level decreased. The total asset turnover rate is also on the rise, indicating that the company's efficiency of using all assets for operation is decreasing. It can be seen from the above analysis that the operation capacity of the company's assets, in particular, will be significantly reduced in 2020. It can be seen that the company should strengthen the long-term and short-term management of its assets to enhance its operating efficiency.

3.2.3 Analysis of profitability

(1) Gross profit analysis

The company's profit level is stable. The gross profit margin remains around 70% all the year round, and significantly hit by the epidemic in 2020. Since the listing, the company's gross profit margin has continued to maintain at about 70%, and the profitability is stable. From 2010 to 2017, the company's gross margin gradually decreased from 76.40% to 61.65%. During the period, the significant decline was mainly affected by the cost of the first round of remote expansion and the low gross margin of Liurooms (the gross margin of Internet performing was lower than other businesses,

no more than 60%), which lowered the company's comprehensive gross margin. From the perspective of various business analysis, the gross profit margin of field performing arts is stable at a high level all the year round, higher than 65% over the years, and decreased to 46% in 2020. In 2014, the pre-promotion of off-site projects and the consolidation of the six houses with relatively low gross profit margin in 2015 changed the business structure, leading to the decline of the overall gross profit margin. With the gradual maturity of different projects, the level of gross profit margin has rebounded. Since the company was listed in 2010, the company's gross profit margin level has gradually declined to the trend of bottoming out. In 2010, the company's gross profit margin reached 76.3%, decreased to 61.6% in 2016, then recovered year by year; and increased to 71.4% in 2019, up 10 percentage points from 2016. Among them, the company's most core live performing arts business gross margin is the highest, has been maintained at more than 65%. From 2010 to 2014, the gross profit margin of field performance decreased from 77% to 67.3%, mainly because the company's first round of remote project expansion from 2011 to 2013 was in the construction period, and the cost was large. From 2015 to 2019, the gross profit margin of field performing arts business increased year by year after bottoming out, from 70.1% to 74.6%, mainly due to the good operation of the first round of expansion projects, the gross profit margin of about 80%, plus the relay contribution of the second round of projects and the high gross profit.

(2) ROA and ROE analysis

The company's ROE and ROA levels have risen steadily since 2011, with an ROE of 14.82% in 2019, up 6 percentage points from 2011. The ROA in 2019 was 12.39%, up 5 percentage points from 2011. The ROE levels have gradually increased. Return on equity maintained an upward trend, and significantly leading the industry. The company's return on equity has been rising steadily over the past five years, from 9.72% in 2013 to 14.52% in 2019, and ROE in 2020 due to the pandemic. Compared with companies in the same industry, the return on equity before the epidemic was far ahead of companies in the same industry.

The company has a higher profitability than its competitors: due to the relatively small investment scale and the high return on assets, the profitability of Songcheng is significantly stronger than that of comparable companies. From the perspective of net profit rate, Songcheng has obvious advantages: 1) Ocean World Entertainment, Reunion Entertainment, Cedar Club Entertainment and other companies are characterized by adopting the operation mode of "theme park + general IP", and the current net profit rate is relatively low. 2) Fosun Tourism and Culture and Haichang Ocean Park are still in the expansion stage and are not yet mature. From the perspective of return on assets: 1) Songcheng ROE is only lower than Disney, which "builds an ecosystem with film and television IP as the core", and OCT, which "takes real estate as its main business". 2) The ROE of Huaqiang Fangte, Six Banner Entertainment and Reunion Entertainment, which mainly operate in theme parks, is significantly lower than that of Songcheng.

(3) Price / earnings ratio analysis

Low valuation: "Kingdom of performing arts" potential worth attention. The valuation performance of the recovery company over the past decade, the average PE of the relative forecast EPS is 39X, and the median value is 31X. We forecast EPS as the PE-Band performance over the past decade. From August 2011 to March 2015, the company's PE fluctuated around 35X; after the bull market, the 2016-2019 PE was basically around 25X-30X times; since 2020, the PE level has passively increased due to the epidemic impact on the company's earnings.

3.2.4 Analysis of development ability

From 2016 to 2017, although the company's operating income continued to rise, the growth rate declined compared with previous years, proving that the company's product business is stable, and it needs to invest in new product development, or further expand the market to promote diversified development. Operating income does not equal the amount of money made. If the enterprise should increase the harvest trend, but the profit did not increase significantly, it proves that the company has great hidden dangers. According to the above table, there can be a positive correlation between the growth rate of net profit and the growth rate of operating income. When the operating income grows

steadily for a long time, the corporate profit also shows this trend, which constitutes the competitiveness of the enterprise and reflects the growth ability of Songcheng Performing Arts Company. □ □

In 2016, compared with the operating activity cash flow growth, operating income and net profit growth are above the former. This is directly related to the six room acquisition in 2015, completed statements consolidation to repay part of the debt in 2015, the total debt decreased 20.98%, and in 2017 into normal development, operating activities produce cash flow index, operating income index and net profit index is synchronous development, the company's investment value gradually decreased during 2016-2017.

During 2016-2018, the enterprise total assets growth rate in a sharp increase stage positively associated with enterprise net profit growth rate. And revenue growth and operating cash flow growth is positively correlated, enterprise assets scale expand too fast, proved that the enterprise product growth, enterprise is in the growth stage, must pay attention to the subsequent development ability, so as not to appear blind expansion. During the "2019-2020" period, the growth rate of the total assets of enterprises rose slowly, which proves that the rising market share of products can reduce the space. It is necessary to develop new products and explore new directions.

Overall, the enterprise development momentum in recent years is not amazing market, and the overall development gradually entered the stable stage. Relying on the current business to promote enterprise development, it will enter the general growth stage. If you want to promote the company, continue to expand and stronger, need clear enterprise development strategic direction, expand the scale of the company development, committed to new product research and development, expand new ideas, prompting the company diversified development.

2.2 Comprehensive Index Analysis

We will return into sales net rate * total assets turnover * equity multiplier, because the return = net profit / net assets = (net profit / total assets) * (end / total assets) net assets = (net profit / sales) * (sales income / total assets) * (end total assets / net assets) = sales net rate * total asset turnover * equity multiplier, as can be seen from the formula, the factors that determine return has three aspects: sales net interest rate, total assets turnover and equity multiplier.

Table 5: DuPont analysis

	2020	2019	2018	2017	2016
DuPont analysis					
Return on Equity (ROE)(%)	-20.58	14.82	16.29	15.55	15.03
Year-on-year growth rate	- 238.93	-9.06	4.80	3.44	7.82
Factor decomposition:					
Net interest rate on sales	- 195.76	52.26	39.78	35.36	34.66
Net profit / Total profit	101.72	83.73	82.83	82.42	79.02
Total profit / EBIT	98.60	101.41	100.41	99.77	99.00
EBTDA / gross income	- 195.20	61.55	47.84	43.00	44.31
Net profit / net profit attributable to the shareholders of the parent company is (%)	99.18	98.16	100.75	99.84	98.45
Equity multiplier	1.19	1.21	1.24	1.19	1.21

Asset turnover	0.09	0.24	0.33	0.37	0.36
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Data source: wind

Using DuPont analysis, in addition to 2020, ROE, Songcheng performing arts, has been steadily improving. The ROE rose from 15% in the beginning of 2016 to 14.8% in 2019. Net interest rate: The company's net interest rate is high, remaining in the 35-45% range. Total asset turnover rate: From the high point of 0.36 in 2016 and 0.37 in 2017 to 0.24 in 2019, the company's total asset turnover rate is positively correlated with the project expansion. The high asset turnover rate in 2016-2017 was due to the first round of expansion projects and the explosion of the acquisition of six houses. Equity multiplier: The company's equity multiplier has been maintained between 1.19 and 1.24 from 2016 and 2020, which is because the low debt ratio makes the company's leverage ratio difficult to rise.

2.3 Financial analysis summary

3.4.1 Summary of financial status

Before the epidemic, the company's performance maintained sustained growth and stable operation. Since going public, its revenue and net profit have continued to rise. From 2016 to 2019, the company's revenue stabilized between 2.6-3.2 billion yuan; the returnee net profit increased from 900 million yuan to 1.34 billion yuan, an increase of 49%. The company's net interest rate is basically maintained between 34% and 45%, exceeding 50% in 2019. Due to the impact of the epidemic, the company's performance was seriously hit in 2020, and almost all of its scenic spots were closed in the first half of the year. Since June 12, however, the epidemic was repeated during the business recovery period, and due to the restrictions of inter-provincial team travel, entry restrictions and other factors, the full recovery of the company's performance needs a certain process. Based on the experience of dealing with the epidemic in 2020, the company still achieved significant performance growth despite the repeated outbreaks in early 2021.

In addition to the company's performance in 2020 and some major events of the company (the acquisition of six rooms; Huafang Technology withdrawal impairment event), in general, the company has been developing continuously, and is expected to gradually recover steadily in the future.

3.4.2 Summary of cause analysis

For the core attribution, we believe that the most important profitability improvement of the company comes from the invisible leverage of high-performance sessions: the sessions have a significant positive effect on both the revenue side thickening and the fixed cost dilution of the profit side. However, the performance session itself is not an independent and exogenous variable, but comes from the joint effect of various aspects. The core elements mainly include the selection of performing arts types, script creation, labor cost and sales expenses:

1. Selection of scenic spot type: the company's indoor mode has the inherent advantage of improving the session. Performing arts scenic spots include live-scene performing arts and indoor performing arts. The choice of performing arts types directly affects the daily performance times and the variable cost of a single performance. At present, indoor performing arts have significant advantages in both;

2. Script writing: (1) the conversion rate brought by the company's stronger innovative update, thus increasing the number and number of tourists; (2) in terms of script update flexibility / creation execution, Songcheng script independent creation / performing arts team integration has significant advantages compared with outsourcing scenic spots, thus bringing higher tourist transformation;

3. Labor costs: stronger incentives lead to the possibility of high performances. Song city strictly control the size of the actors, thus in the case of reducing the total labor cost, still realized the actor single income significantly higher than the market competitive level, on the one hand, provide stronger power for actors, on the other hand also helps to maintain actor stability and the overall quality, brought the company average day high session turnover of the supply side and execution.

3.4.3 Summary of optimization suggestions

Through the above analysis of the financial statements, financial ratio and comprehensive indicators of Songcheng Performing Arts Company, we put forward the following three targeted optimization suggestions based on its development status:

(1) Increase the sales volume and growth rate of Songcheng Performing Arts

According to the analysis results of the growth ability of Songcheng Performing Arts, the total revenue growth rate of Songcheng Performing Arts is basically consistent with the average level of the industry, maintaining at about 14%. However, excluding the impact of the online performing arts business of the subsidiary, the growth rate is only 9.42%, far lower than the average level of the industry. Combined with the company profit quality analysis can be seen that the company is now performing business products, only Hangzhou Songcheng tourism revenue has substantial growth, elsewhere, Songcheng tourism revenue growth even negative growth and closed business, so the company should offline performance improve independent innovation ability, tourist scenic spots from site-decoration-business, need a lot of time cost and resource cost, but also to have strong management ability, to achieve product profit and capital recovery as soon as possible, to match the development level of the industry. □ □

(2) Strengthen the return rate of capital and investment quality of Songcheng Performing Arts

Net cash flow generated from investment activities from 2016 to 2020 was all negative, manifested as the company's annual investment in fixed assets, intangible assets, projects under construction and other related investments, Songcheng: Between 2018-2020, With new projects are expansion each year, By; during the 2016-2017 period, No new expansion project in Songcheng. For various reasons, Mount Taishan forever love has been closed in 2017, in the meantime. The investment in the fixed assets, intangible assets and the projects under construction is mainly used for the innovation and transformation of the original projects Its outbound investment assets grew by 9.36%. The corresponding revenue growth rate was 6.42%. Its return on investment is low. In 2015, the company's foreign investment amount is very large, in 2015, its goodwill accounted for more than 30% of the total assets, from the profit data, 2016 growth rate is 195.37%, growth rate in 2017 is only 8.58%, shows its slow growth, if slow growth, online Internet performing arts business, in impairment test and influence, the industry and policy, and its recognition is easy to impairment, so the amount of goodwill is easy to manipulate. Therefore, the company should give full consideration to its investment value and long-term impact on the company.

3.4.4 Company outlook analysis

According to the above analysis, it can be seen that Songcheng Performing Arts has broken the limitations of the performing arts industry, achieved the goal of connecting online and offline Internet performing arts, and ranks first among many live performing arts businesses, and its core competitiveness cannot be underestimated. Analysis on the development process of the company: first, Hangzhou is selected as the development base, to carry out the spontaneous development mode of integrated performing arts and tourism resources; then, gradually go into the central and western cities, the performance characteristics as the development core, enhance the brand replication ability; finally, change the role of strategic investor, invest and diversify for cultural industry companies. In 2015, the company continues to expand the domestic development scale, gradually increase the development situation, and reverse the development strategy. At present, the development of the company not only involves the cultural industry chain, but also integrates the film and television industry to realize the urban performing arts. At the same time, it makes use of its unique advantages to realize the asset-light business model, gradually carry out overseas investment, and move towards internationalization. □ □

Risk and opportunity go hand by hand. While Songcheng Performing Arts continues to expand, it also faces many risks. First, the expected development of offline business is discussed, the long-term and stability of its development remains to be seen; second, the opportunities and risks of overseas

projects, and the influence of foreign investment policy, and foreign differences, and the characteristics and the local culture can increase the difficulty in the development.

According to the previous in-depth analysis of Songcheng Performing Arts needs to deeply sort out various performing arts projects, fully explore the failure experience of some projects, summarize the development strategy of performing arts projects, and realize the healthy development of performing arts business through the construction of high-quality projects. At present, the project construction is approaching the blowout period, which should not only improve the speed of Song City, but also control the quality of Song City, and shape the high-quality products of Song City.

At the same time, it is necessary to integrate cultural and scientific factors, innovate ideas, and gradually promote the creation content of new projects. When the project enters the outbreak period, there will also appear a high yield period. In terms of art research and development, it has both independent creativity and external cooperation. On the basis of a large number of research and development and human support, it gathers public ideas, enhances efficiency, enhances creative strength, and establishes a world-class performing arts editorial and creative team and brand.

In general, combining with the "six Song Cities" strategy of Songcheng Performing Arts and the three major development strategies- -diversified development, continuous innovation and internationalization- -can open up a new field for the development of the industry. Through the analysis of the company's financial situation, it can be seen that the overall business situation is good, the cash flow is sufficient and excellent, and the comprehensive corresponding liabilities can provide support for the construction of new projects and achieve the company's development strategy. In addition, the output mode of asset-light management alleviates the company's capital problems and has the potential of new project development. On the whole, Songcheng Performing Arts not only has a clear future development positioning, but also has a perfect traditional business model of "theme park + on-site commercial performance". Combined with the gradual establishment of domestic performing arts brand barriers, the future market development prospect is promising.

3. Conclusions

We believe that the core competitiveness of the company is the result of the fine operation of excellent consumer companies in all links. The core reason is that the hidden leverage of high-performance sessions brings the revenue end thickening and the fixed cost dilution of the profit end. The successful experience of Songcheng performing arts is to use local culture to tell local stories, find national memory, establish cultural confidence, and create high-quality cultural product [3]. However, the number of games is not an independent exogenous variable, but the final result of various aspects, mainly attributed to four aspects, and they jointly build the competitive moat of Songcheng:

1. Selection of scenic spot type: the company's indoor mode has the inherent advantage of improving the session. Compared with live performance, indoor performance is less affected by the climate, and has significant advantages in the daily performance times and the variable cost of a single performance;

2. Integration mode of script creation and acting creation: The company's conversion rate improves the performance brought by stronger innovation and update, thus increasing the number and number of visitors. At the same time, Songcheng script independent creation / performance team integration to provide greater flexibility of script creation and execution degree;

3. Labor cost: stronger incentive brings the possibility of high performance, strictly controls the size of actors, provides the salary return higher than the market competing products, maintains the stability of the team and enhances the motivation of staff performance, and brings the possibility of high execution;

In the long run, the company also has strong extension replication ability: low leverage to provide higher lending space, superior cash flow, the company remote replication has strong financial support; the second round of expansion project in the next 2-3 years will enter the performance outbreak period,

and the company to performance platform company transformation, the future in the audience and ticket prices are room for improvement, which will effectively enhance the company's rapid growth. We are optimistic that the stability and growth of business development will be continuously strengthened under the combined internal and external driving factors of the policy dividend and tourism consumption upgrading of the company.

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