b a c h

Bank for the Accounts of Companies Harmonized

OUTLOOK
9

European non-financial corporations

a comparison for pre-crisis periods

(January 2021)

Abstract

Outlook #9, entitled "European non-financial corporations: a comparison for pre-crisis periods", uses BACH data from 12 European countries (Austria, Belgium, Czech Republic, Germany, Spain, France, Croatia, Italy, Luxembourg, Poland, Portugal and Slovakia) to compare European non-financial activities' situation in the periods prior to the European debt crisis and the one that is projected for 2020, triggered by the coronavirus pandemics.

With that purpose in mind, this outlook analyses both pre-crisis situations, concerning economic activity growth, profitability levels, financial structures and financial pressure. This comparison intends to infer if firms are more prepared in 2020 to face an economic downturn than in 2008, and which financial indicators show firms' greater vulnerability in the current situation.

The European Committee of Central Balance-Sheet Data Offices (ECCBSO) is an informal body whose members consist of experts either from the Central Balance-Sheet Data Offices belonging to or associated with the National Central Banks of the European Community, or from National Statistical Institutes.

The Bank for the Accounts of Companies Harmonized Working Group (BACH WG) is one of ECCBSO's Working Groups. It was created within the foundation of developing and improving a European statistical database: the BACH database.

The BACH Database provides comparable aggregated data (both economic and financial) based on the annual accounts of non-financial incorporated companies from European countries. Freely available, BACH includes data from 12 countries: Austria, Belgium, Czech Republic, Germany, Spain, France, Croatia, Italy, Luxembourg, Poland, Portugal and Slovakia.

We sincerely hope you can benefit from this analysis and we invite you to visit the BACH database and explore it as much as possible by making your own analysis. Do not hesitate to share your results with the BACH WG.

Executive summary

Outlook #9 analyses several economic and financial indicators for 12 countries participating in BACH database. This study aims to evaluate the situation of European firms in a period prior to the economic crisis expected for 2020, by comparing the respective indicators to the values for the year that preceded the financial crisis a decade ago.

In 2019, economic growth was globally slower than in 2007. Also, firms' profitability levels were lower than the ones prior to the financial crisis of 2008-09.

Firms' capital structure changed to a more conservative one, resorting less to debt when financing their activity. Some of the countries with higher increases in equity ratio also recorded the highest decreases in the weight of amounts owed to credit institutions in total liabilities.

The financial pressure of European firms seemingly improved between 2007 and 2019, taking into account the significant increases observed in the EBITDA over interest on financial debt ratio.

INTRODUCTION

The year of 2020 was greatly conditioned by the coronavirus pandemics and its social and economic effects worldwide. In the midst of the uncertainty of how companies will behave in the following years, analysts expect this event to cause a severe global crisis which will take place nearly a decade after the European debt crisis.

In the years that followed the financial crisis in 2008-09 and the sovereign debt crisis in 2010-11, European firms started a path of income recovery while reducing and restructuring their debt (see Outlook #4[1] for a more in-depth analysis). This path resulted both from macroprudential measures to prevent firms' over-indebtedness and from firms' decision to increase liquidity and equity for safety reasons, leading to an overall improvement of the firms' financial situation and its capacity to face financial shocks. It remains unclear, however, if these positive developments were sufficient to offset the effects of the crisis experienced in 2008-09 and 2010-11 and to reinforce firms' capacity to face a severe economic downturn as the one expected in 2020.

Having this in mind, Outlook #9 intends to assess the capacity for European firms to face the economic crisis expected for 2020, by comparing the situation of the firms prior to the coronavirus pandemic with the situation in the year that preceded the economic and financial crisis in 2008-09 and identifying the indicators for which firms are in a stronger or weaker position.

This analysis is divided in four sections: section 1 starts with a description on how the economic activity of European firms evolved in the pre-crisis periods, resorting to the turnover and gross value added growth rates. In section 2, different measures are used in order to assess how profitability evolved in the last decade. Section 3 analyses changes in the financial structure of firms, mainly based on the equity ratio. Finally, section 4 considers the EBITDA over interest on financial debt ratio with the purpose to measure the variations in terms of the financial situation of firms. Annexes 1 to 4 provide additional detailed data for this study.

[1] Outlook#4 *European non-financial corporations from 2007 to 2014* analyses the decrease in return on equity in European countries during the last decade, highlighting the relevance of the 2008-2009 financial crisis for this evolution.

Data description and methodology

This analysis was prepared with the variable samples available in the BACH database[2] for 12 countries: Austria, Belgium, Czech Republic, Germany, Spain, France, Croatia, Italy, Luxembourg, Poland, Portugal and Slovakia.

Data regarding the variable samples for 2007 and 2019 were used, except the turnover and gross value added growth rates, which were based on the sliding samples. Concerning data for 2007, missing values were not replaced. Regarding the last period analysed, data for 2019 were considered for all countries except Austria, Germany, Croatia and Czech Republic, for which 2018 data were used instead.

The main analysis is performed for the total firms in the sample. The results for manufacturing, trade and accommodation and food services are provided in Annex 2, given these sectors are expected to be more affected by the coronavirus pandemic. Construction is also included, given the vulnerability of some countries to this economic activity. Results by size class are provided in Annex 3.

National samples – general coverage

Compilation methods used by the national authorities when producing BACH aggregates differ among the participating countries, leading to different degrees of exhaustiveness or representativeness of the statistical base material available for the national financial statements. While some countries (Belgium, Croatia, Italy and Portugal) collect data from an exhaustive survey, others collect data from selected samples that might not represent neither a complete survey, nor a statistically representative sample.

Therefore, data should be interpreted considering that different coverage levels of the samples and, for each country, different coverage levels by economic activity and company size, may lead to the under or over-representation of some groups of companies in samples, which can result in figures' bias for the total of the economy.

The differences in samples' composition regarding the main economic activities (NACE Rev. 2 sections construction, trade and accommodation and food service activities) considered in the outlook is shown in Chart 1. Samples from Belgium, Croatia, Italy and Portugal have structures generally similar to the respective universes, regardless of the economic activity (weights in samples similar to the respective weights in the population).

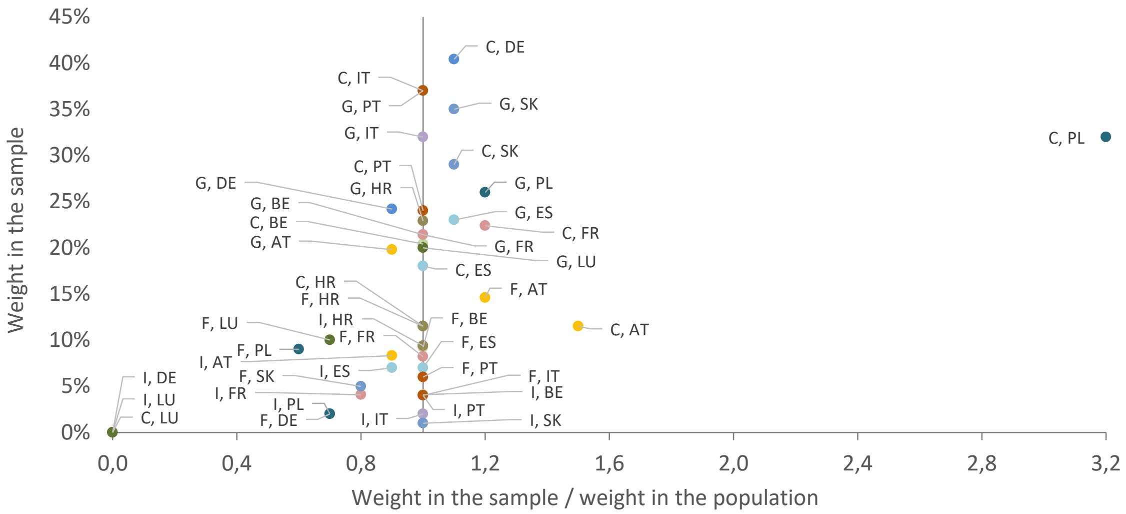
In the remaining countries, the samples do not reproduce the population structure by sector. In particular, data from Poland for construction are under-represented – the weight of this economic activity in the sample (9%, considering the number of corporations) is 0.6 times the weight of this group of firms in the population. On the opposite side, manufacturing in Poland represents 32% of the firms in the sample,

[2] Data collected in January 2021.

more than three times the weight of this economic activity in the population. Also, manufacturing in Austria represents 12% of the firms in the sample, which is 1.5 times its weight in the population. It should be noticed, however, that the weights of the economic activities in samples, in particular the most relevant ones, are comprised between 0.8 and 1.2 times the respective weights in the populations, generally.

Regarding the sample composition by sector of economic activity, manufacturing shows special relevance in Germany and Italy, while trade has also a large weight in Portugal (all cases weighting nearly 40% of the total turnover).

Chart 1 – Weight of economic activities in the sample and ratio between the weight of the economic activities in the sample and its weight in the population

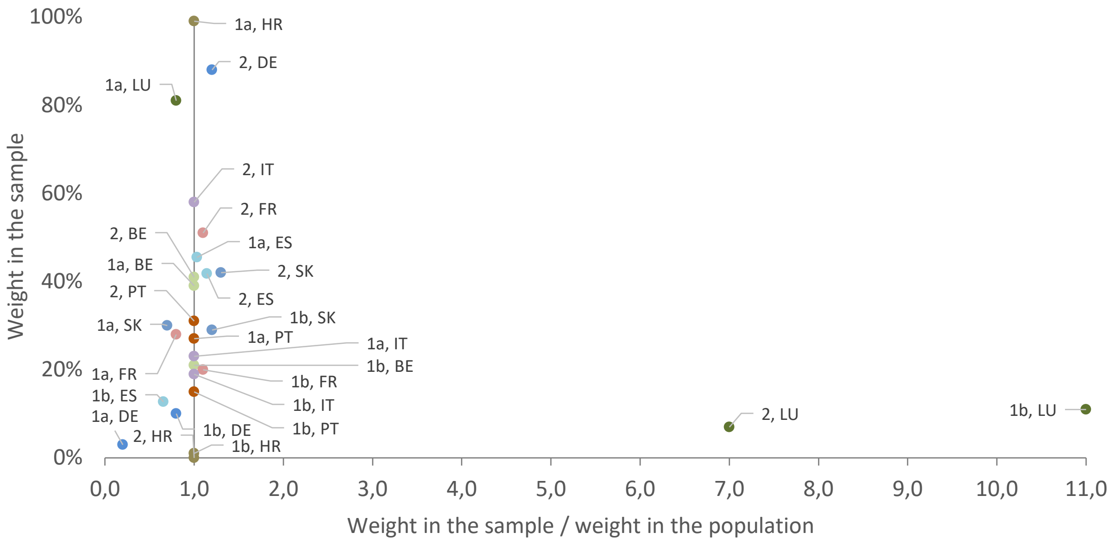


Source: Chapter 2 – National Samples, BACH Documents.
The weight in the sample corresponds to the share of each activity in the total sample; the ratio between the share of each activity in the sample and its share in the population identifies the activities over-represented in the sample (ratio above 1), the activities under-represented in the sample (ratio below 1) and the activities that are representative of the population (ratio around 1). Weights can be derived from the figures of the number of corporations, the turnover or the number of employees. Data for 2019 regarding Austria, Germany, Croatia and Luxembourg were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Czech Republic regarding the weight of each economic activity in the respective population are not available. Therefore, the ratio between the weight in the sample and the weight in the population could not be calculated. Thus data for this country are not included in this chart. For the entire set of data, see Annex 1.
Legend: i) Countries: AT - Austria; BE - Belgium; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL – Poland; PT - Portugal; SK - Slovakia. ii) Economic activities (NACE Rev. 2): C - Manufacturing; F - Construction; G - Trade; I - Accommodation and food service activities.

The comparison between sample and population structures regarding the size of companies is presented in Chart 2. Data for Luxembourg stand out for showing over-representation of medium and large enterprises in samples, since weights of these types of firms in the sample correspond to 11 and 7 times the respective weights in the population (considering the number of corporations). Data for Slovakia also over-represent large enterprises, since the weight of this size class in the sample is larger than the respective weight in the population by 30% (regarding the turnover). On the other hand, the weight of Slovak micro and small enterprises in the sample is lower than the weight in the population by 30%. Micro and small enterprises are particularly under-represented in German data (considering the turnover), since their weight in the sample is only 20% of the respective weight in the population. Spanish data also show some discrepancy between the weights in the sample and the weights in the population, as the weight of medium-sized enterprises in the sample is 30% lower than the weight in the population (assuming the number of employees). The remaining countries show, in general, comparability between the structures of its samples and populations, by size of corporations (ratios around 1). Again, this reality is more evident in data for Belgium, Croatia, Italy and Portugal, whose samples have structures commonly similar to the respective populations.

Considering the sample structure by size, Germany stands out for showing the larger weight of large enterprises, nearly 90% (considering the turnover) comparing to around 70% in Czech Republic (regarding the number of corporations) and around 60% in Italy (assuming the turnover). On the other hand, the weight of micro and small enterprises is particularly large in Croatia (almost 100%), being also significant in data for Austria (nearly 90%), Luxembourg and Poland (around 80%), regarding the number of corporations in all cases.

Chart 2 – Weight of size of corporations in the sample and ratio between the weight of size of corporations in the sample and its weight in the population

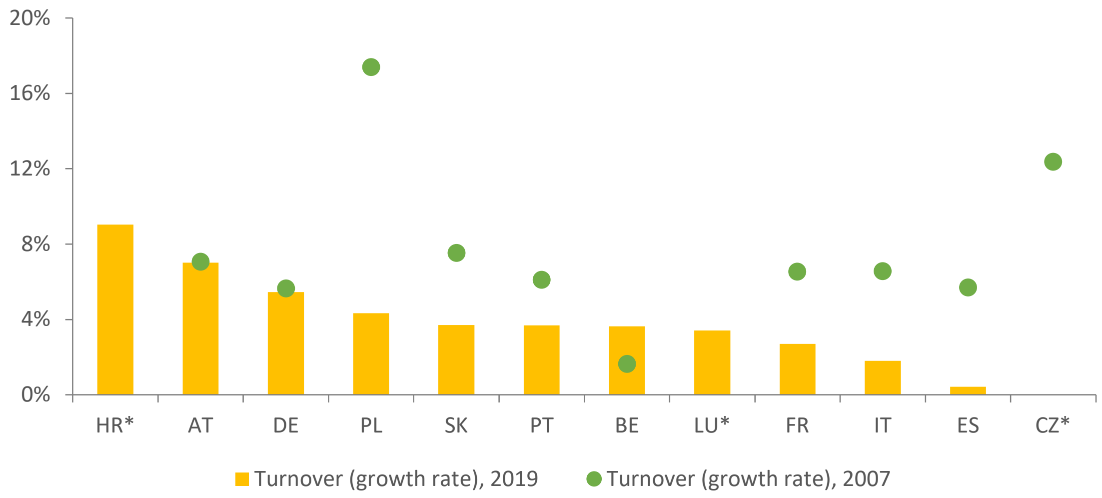


Source: Chapter 2 – National Samples, BACH Documents.
The weight in the sample corresponds to the share of the size class in the total sample; the ratio between the share of each size class in the sample and its share in the population identifies the size classes over-represented in the sample (ratio above 1), the size classes under-represented in the sample (ratio below 1) and the size classes that are representative of the population (ratio around 1). Weights can be derived from the figures of the number of corporations, the turnover or the number of employees. Data for 2019 regarding Germany, Croatia, Spain and Luxembourg were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Austria, Czech Republic and Poland regarding the weight of the size class in the respective population are not available. Therefore, the ratios between the weight in the sample and the weight in the population could not be calculated. Thus data for these countries are not included in this chart. For the entire set of data, see Annex 1.
Legend: i) Countries: BE - Belgium; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PT - Portugal; SK - Slovakia. ii) Size of corporations: 1a – Micro and small; 1b - Medium; 2 - Large.

1. COMPARING TURNOVER AND GROSS VALUE ADDED GROWTH RATES

From 2006 to 2007, turnover increased in the whole set of countries (Chart 3). Comparing these growth rates with the ones observed between 2018 and 2019 it can be concluded that, in half of the countries, the pace of the growth of firms' activity was lower than the one evidenced a decade ago. Some of the countries registered significant decreases in the indicator – Poland's turnover growth rate was, in 2019, 13 p.p. lower than the one registered in 2007, while Italy and Spain's turnover growth rates were also 5 p.p. lower in the later year. On the other hand, Belgium's turnover growth rate in 2019 was larger than the one registered in 2007 (2 p.p.). Croatia stood out with the largest turnover growth rate in 2019 (9%).

Chart 3 – Turnover (growth rate, 2007, 2019*)

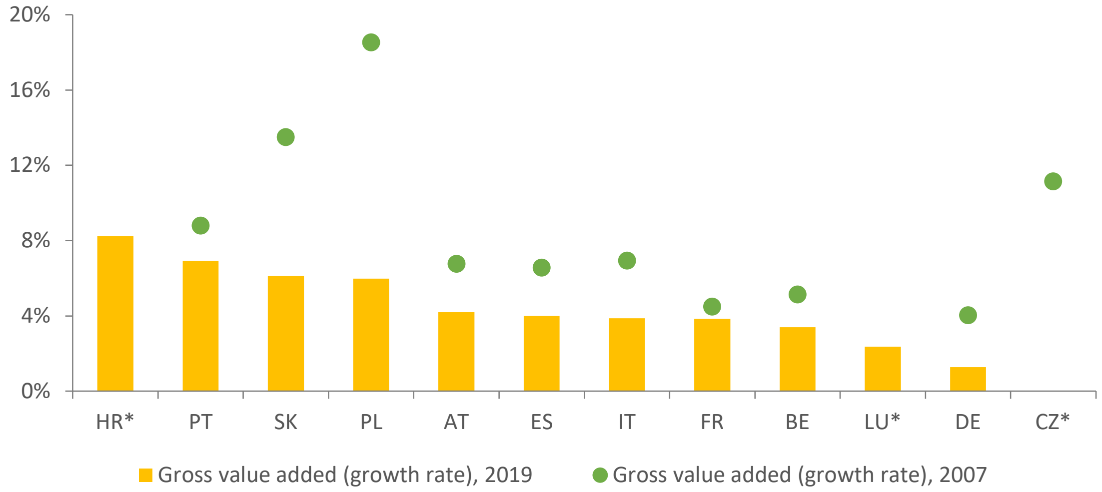


** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011, Croatia before 2009 and Czech Republic after 2012 are not available in the BACH database.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia. Countries ordered from the highest to the lowest turnover growth rate in 2019.

The turnover growth rate decreased in manufacturing, construction, trade and accommodation and food services in most of the countries. This behaviour was also more characteristic of medium-sized enterprises. However, the turnover growth rate decreased in the majority of countries, regardless of the size class.

Regarding the evolution of the gross value added, Croatia had also the highest growth rate in 2019 (8%) (Chart 4). Comparing to the values from 2007, gross value added growth rates in 2019 were lower for the whole set of countries, suggesting that before the 2008 crisis, firms showed a growth pattern more dynamic than the one experienced recently. Those differences were particularly significant in Poland (13 p.p.) and Slovakia (7 p.p.), while the remaining countries registered lower gross value added growth rates in 2019, by 3 p.p. at the most, comparing to the evolution from 2007.

Chart 4– Gross value added (growth rate, 2007, 2019*)



** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011, Croatia before 2009 and Czech Republic after 2012 are not available in the BACH database.*

Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia. Countries ordered from the highest to the lowest gross value added growth rate in 2019.

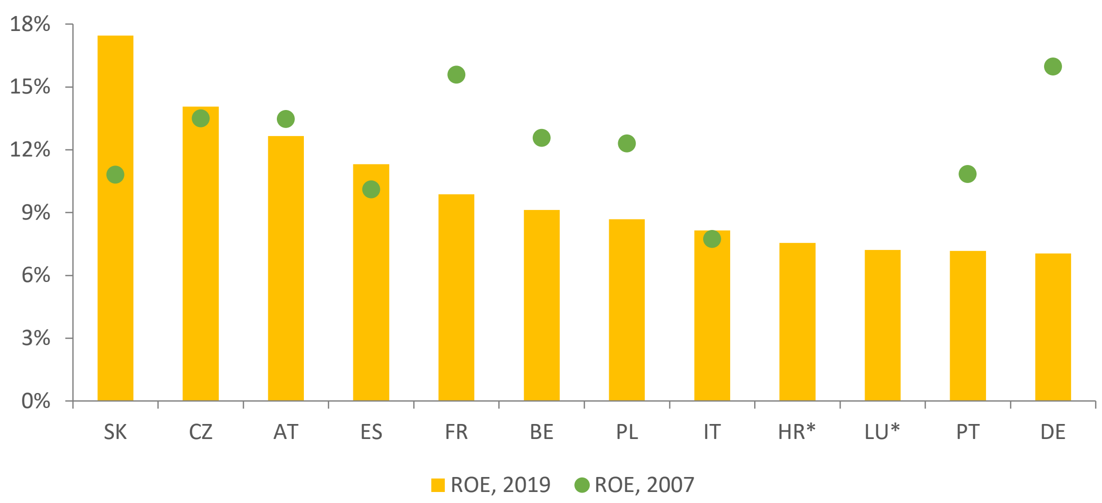
2. COMPARING MEASURES OF PROFITABILITY

BACH database provides 10 profitability ratios, as presented in Annex 4. Return on equity (ROE) measures profitability from the equity holders' perspective, as it measures the profits obtained by the shareholders. Following the decomposition of return on equity, this ratio can be related to other measures of profitability, such as the return on assets (ROA), which measures the operating profit obtained by monetary unit of assets employed by the firms, analyzing therefore the overall profitability of the firms, regardless of the assets' funding structure. The relation between these two ratios, is explained in detail in the BACH Outlook #6 (2018).

Return on equity

The differences between the levels of profitability in 2007 and in 2019 were lower than 2 p.p. for nearly half of the countries analyzed, regarding the respective return on equity ratios (Chart 5). In Germany, France, Portugal, Poland and Belgium, however, profitability was clearly higher in 2007 – with differences particularly relevant in Germany (9 p.p.) and France (6 p.p.), countries with the highest ROE levels in 2007. Slovakia stood out with the higher profitability in 2019, after an increase of 7 p.p. in the ROE levels during the period of the analysis.

Chart 5 – Return on equity (weighted mean, 2007, 2019*)

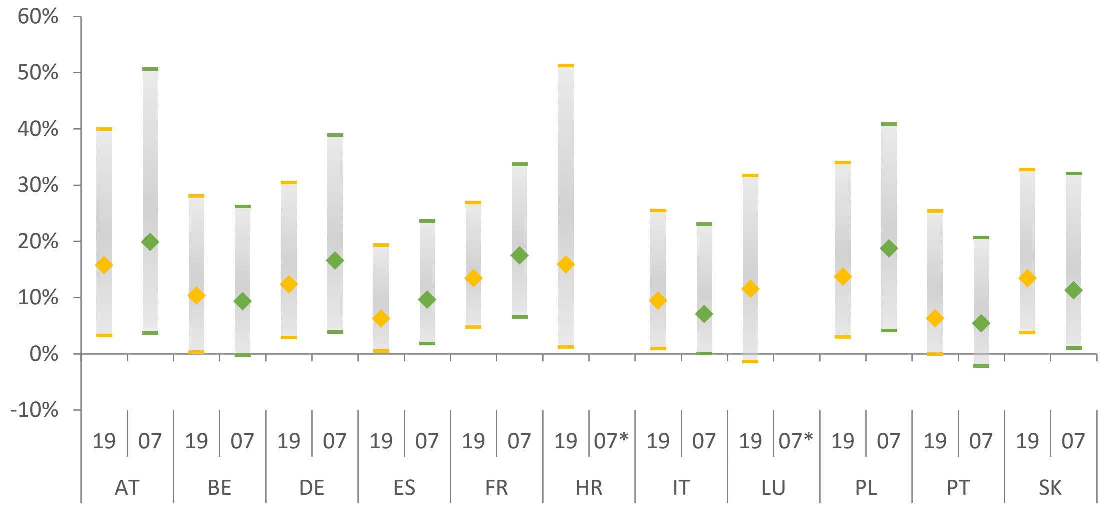


** Data for 2019 regarding Austria, Germany, Croatia and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU – Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia. Countries ordered from the highest to the lowest return on equity in 2019.

No global pattern of change in the ROE is clearly identified for all of the groups of firms by sector and size. Yet manufacturing and construction firms, as well as micro, small and large enterprises, showed a general decrease in this ratio between 2007 and 2019. On the other hand, accommodation and food service activities firms registered a general increase in profitability levels during the same period, regarding the ROE.

Analyzing the distribution of the firms regarding its profitability, it was identifiable a decrease in the ROE levels, for every quartile, in five out of nine countries (Chart 6). This was especially relevant in a subset of countries: in Poland, ROE levels registered by at least half of the firms in 2019 were 5 p.p. lower than the median ratio of 2007 (4 p.p. lower in France, Germany and Austria). In Belgium, Italy, Portugal and Slovakia, all quartiles of the ROE increased from 2007 to 2019. In Belgium and Portugal, in particular, firms generally increased the ROE, despite the decrease of the respective weighted mean (the medians of these countries increased by 1 p.p.).

Chart 6 – Return on equity (quartiles, 2007, 2019*)

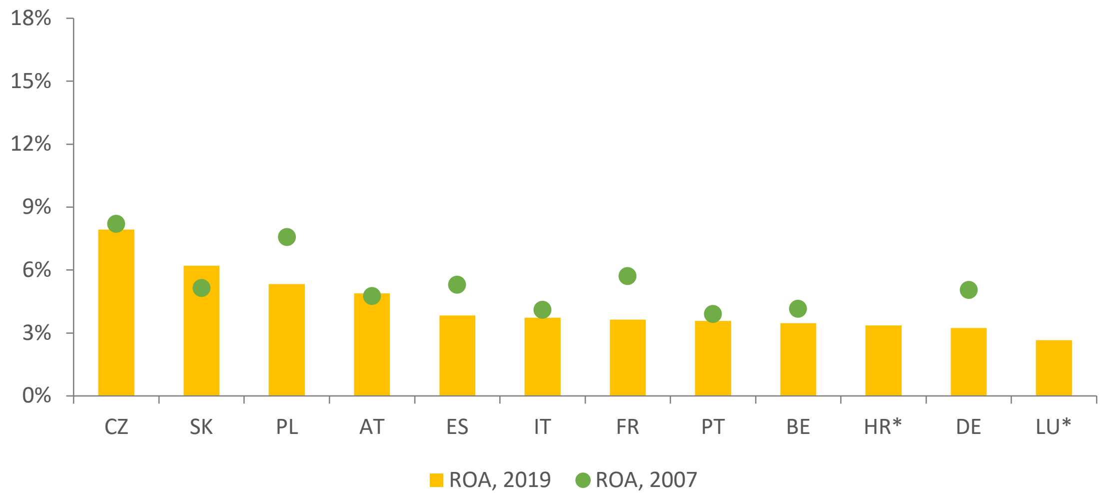


** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg data 2011 and Croatia before 2008 are not available in the BACH database. Also, data for Czech Republic are not available for 2007 and 2019.*
The top, middle and bottom marks refer to the 3rd quartile, the median and 1st quartile of the distribution of individual ratios, respectively. The grey area corresponds to the interquartile range.
Legend: AT - Austria; BE - Belgium; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia.

Return on assets

Analyzing the ROA, the conclusions are similar as when considering the ROE. Germany, France and Poland recorded the most significant drops in this ratio, as observed for ROE, although less expressive (2 p.p. in all cases) (Chart 7). In the remaining countries, ROA levels in 2019 were close, but lower to the values recorded in 2007, in general. Czech Republic registered the highest level of profitability regarding the ROA, in 2019 (8%).

Chart 7 – Return on assets (weighted mean, 2007, 2019*)

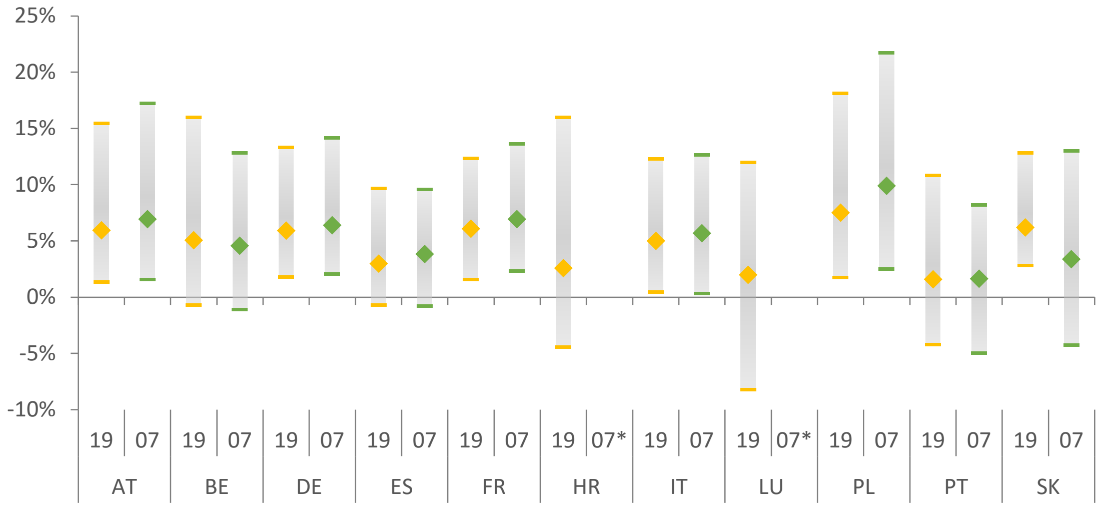


** Data for 2019 regarding Austria, Germany, Croatia and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia. Countries ordered from the highest to the lowest return on assets in 2019.

In 2019, firms recorded a lower ROA than the one registered in 2007, in general (Chart 8). The median value for this ratio slightly decreased from 2007 to 2019 in six out of nine countries, but the drops in the median ratio only exceeded 1 p.p. in Poland. On the other hand, Slovakia’s median ROA value increased by 3 p.p. between 2007 and 2019[3]. The most relevant changes occurred at the third quartile level: in Poland, the ROA of the firm corresponding to the 75th percentile was 4 p.p. lower in 2019, than in 2007 (2 p.p. in Austria). Again, on the other hand, some countries had significant increases at the third quartile level: in Belgium and Portugal, in 2019, the ROA of the firm corresponding to the 75th percentile was 3 p.p. higher than in 2007, in both cases.

[3] The sample for Slovakia shows sample bias due to changes in class structures between years, which has an impact in the quartiles for some ratios.

Chart 8 – Return on assets (quartiles, 2007, 2019*)



** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Also, data for Czech Republic are not available for 2007 and 2019.*

The top, middle and bottom marks refer to the 3rd quartile, the median and 1st quartile of the distribution of individual ratios, respectively. The grey area corresponds to the interquartile range.

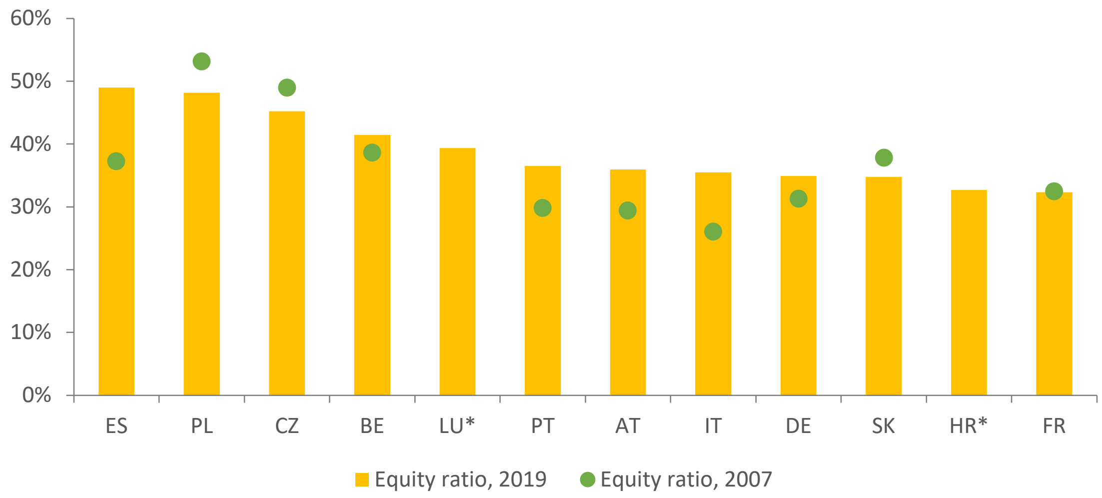
Legend: AT - Austria; BE - Belgium; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia.

Equity ratio

The equity ratio indicates the percentage of the total assets that is financed by equity. If a company resorts to more equity to pay for its assets, it shows a lower leverage ratio and therefore a more conservative capital structure.

One of the main differences when comparing the financial situation of non-financial corporations in 2007 and in 2019 is the higher equity ratios which were generally observed in 2019 (Chart 9): Spain revealed a substantial increase in its equity ratio (12 p.p., up to 49%). This increment was followed by the ones registered by Italy (9 p.p.), Portugal and Austria (7 p.p. in both cases), suggesting that firms' capital structure in 2019 was more conservative than in 2007, resorting less to debt when financing their activity. The main exceptions were some of the countries with higher equity ratios in 2019, such as Poland and Czech Republic, whose equity ratios were, in 2019, 5 p.p. and 4 p.p. lower than the ones observed in 2007, respectively.

Chart 9 – Equity ratio (weighted mean, 2007, 2019*)

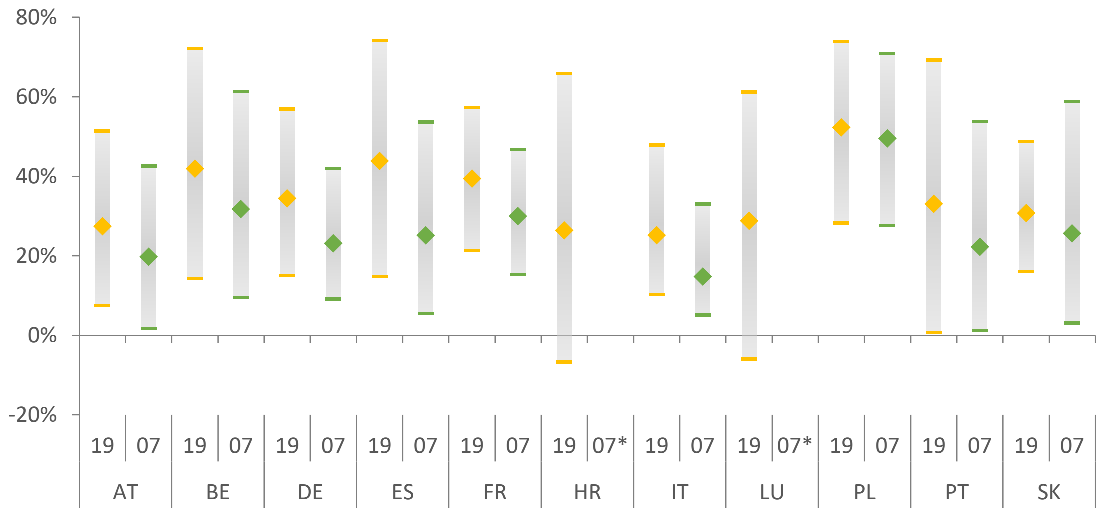


** Data for 2019 regarding Austria, Germany, Croatia and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia. Countries ordered from the highest to the lowest equity ratio in 2019.

The improvement of the equity ratio was generalized across sectors of economic activity and among micro, small and medium-sized firms, while for large firms no pattern is identified.

The analysis of the distribution of firms concerning their equity ratios also leads to the same conclusion. From 2007 to 2019, the percentage of the total assets that was financed by equity increased, in general, in the whole set of countries, regardless of the quartile considered (Chart 10). Comparing the median value for each country, Spain posted the highest equity ratio increase (19 p.p.) between 2007 and 2019, followed by Germany and Portugal, with increases of 11 p.p. in the respective equity ratios, in the same period. Poland stood out, in the last year, as the country with the highest median equity ratio, with half of the firms registering equity ratios of 52% of higher.

Chart 10 – Equity ratio (quartiles, 2007, 2019*)



** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Also, data for Czech Republic are not available for 2007 and 2019.*
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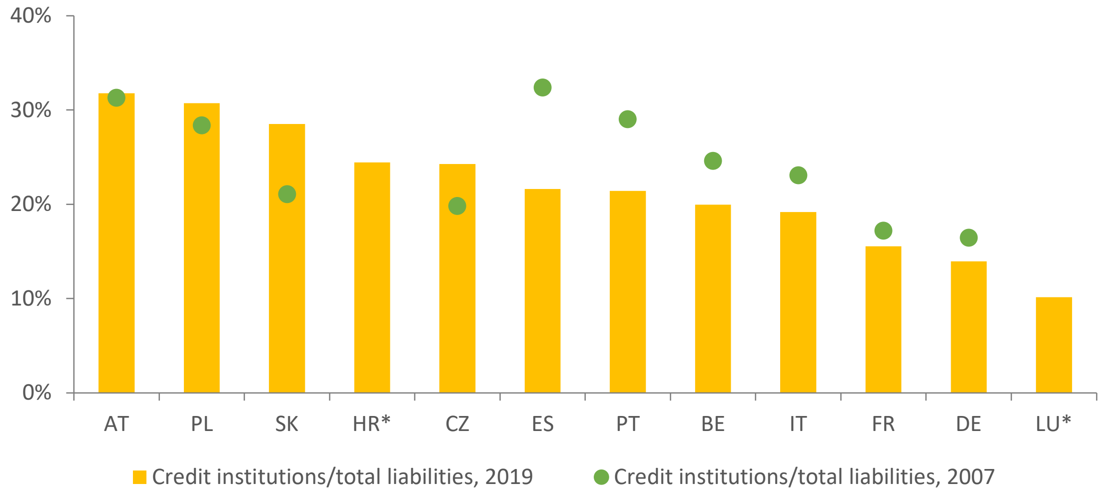
Weight of amounts owed to credit institutions in total liabilities

The weight of amounts owed to credit institutions in total liabilities decreased in the majority of the countries between 2007 and 2019 (Chart 11). Leading the drop in the weight of bank loans in total liabilities were some of the countries whose equity ratios increased the most: Spain registered a decrease in the weight of amounts owed to credit institutions in total liabilities of 11 p.p., followed by Portugal with a decrease of 8 p.p.. Regarding the countries with the most relevant decreases in the weight of bank loans, those drops were compensated mostly by increases in the weight of intra-group loans in total liabilities. France and Germany continued to be part of the group of countries with the lowest weights of liabilities associated to amounts owed to credit institutions (16% and 14%, respectively), being surpassed only by Luxembourg, where bank loans represented 10% of total liabilities in 2019. On the other hand, Austria and Poland were the countries where the weight of amounts owed to credit institutions in total liabilities was higher in 2019, while Slovakia and Czech Republic were the countries with the highest increases in this ratio between 2007 and 2019 (7 p.p. and 4 p.p., respectively), mostly balanced by decreases in the weight of trade payables in total liabilities.

Chart 11 – Weight of amounts owed to credit institutions in total liabilities (weighted mean, 2007, 2019*)



** Data for 2019 regarding Austria, Germany, Croatia and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia. Countries ordered from the highest weight of amounts owed to credit institutions in total liabilities in 2019 to the lowest.

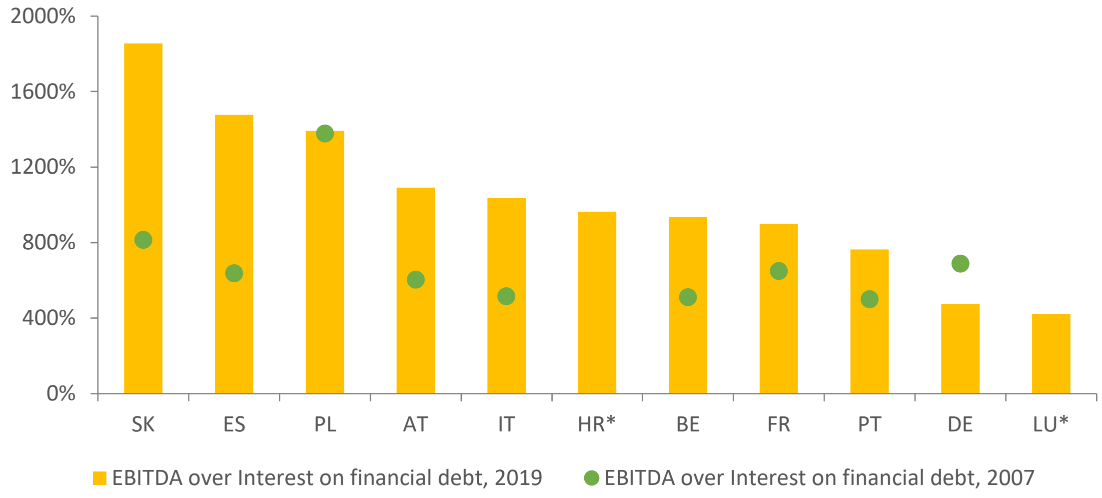
4. COMPARING FINANCIAL SITUATIONS

EBITDA over interest on financial debt

The EBITDA over interest on financial debt ratio assesses how easily a firm can pay the interest on its outstanding financial debt using the EBITDA it generates.

Analyzing these ratios regarding 2007 and 2019, the majority of countries also registered an improvement of the financial situation (Chart 12). This increase was overall observed by sector and size classes. Slovakia, Spain and Italy were the countries where the EBITDA over interest on financial debt ratio increased the most, as their ratios more than duplicated. The only exception was Germany, which registered a decrease in this ratio, despite the EBITDA from its firms covering more than four times the interest paid in 2019. Slovakia stood out as the country with higher EBITDA over interest on financial debt ratio in the later year, as the EBITDA generated by its companies represented more than eighteen times the interest paid in 2019.

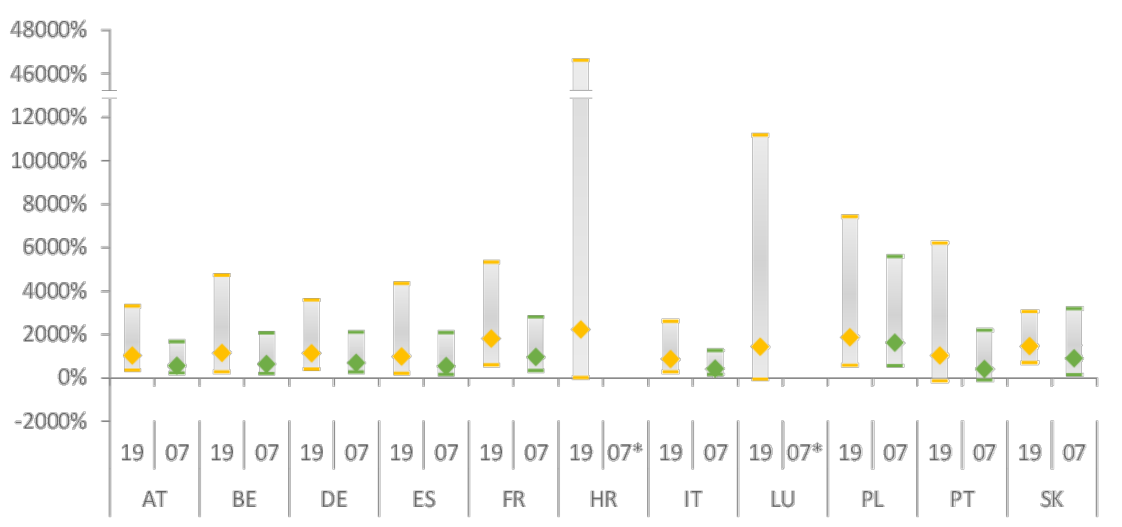
Chart 12 – EBITDA over interest on financial debt (weighted mean, 2007, 2019*)



** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Also, data for Czech Republic are not available for 2007 and 2019.*
Legend: AT - Austria; BE - Belgium; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia. Countries ordered from the highest EBITDA over interest on financial debt ratio in 2019 to the lowest.

Overall, firms improved their EBITDA over interest on financial debt ratios between 2007 and 2019 (Chart 13). Data suggest that in the majority of countries the largest improvements occurred in the 3rd quartile, increasing the interquartile range concerning this ratio. Assuming the medians, the largest increases in the EBITDA over interest on financial debt ratio were registered by France, Portugal, Slovakia and Belgium.

Chart 13– EBITDA over interest on financial debt (quartiles, 2007, 2019*)



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Legend: AT - Austria; BE - Belgium; DE - Germany; ES - Spain; FR - France; HR - Croatia; IT - Italy; LU - Luxembourg; PL - Poland; PT - Portugal; SK - Slovakia.

FINAL REMARKS

This outlook concludes that European firms generally posted, in 2019, lower performance indicators, measured by the turnover and gross value added growth rates, return on equity and return on assets, than those observed in 2007. However, European firms showed, in general, a more robust financial situation in 2019 compared to the one observed before the financial crisis in 2008-09, considering the equity ratio, the weight of amounts owed to credit institutions in liabilities and EBITDA over interest on financial debt ratio.

Regarding the evolution of the economic activity, European firms' turnover growth in 2019 was lower than the levels of 2007. Also, growth was globally slower considering the gross value added. Polish firms, in particular, showed a substantial drop in the turnover and gross value added growth rates between 2007 and 2019.

Firms registered also a decrease in the profitability levels between 2007 and 2019. This conclusion is based particularly in the return on equity (major decreases in Germany and France), since values for the return on assets suggest that the profitability levels observed in 2019 were only slightly below the ones observed in 2007.

The analysis of the financial structure reveals that, in 2019, firms' capital structure was more conservative than in 2007, resorting less to debt when financing their activity, as the equity ratio increased during this time span in the majority of the countries. These changes were more significant in Spain, Italy, Portugal and Austria, some of the countries with highest decreases in the weight of amounts owed to credit institutions in total liabilities.

Finally, European firms also registered a general improvement of their financial pressure between 2007 and 2019, what can be concluded by the increases observed in the EBITDA over interest on financial debt ratio, which assesses how easily a firm can pay the interest on its outstanding financial debt using the EBITDA it generates.

ANNEX 1 – NATIONAL SAMPLES – GENERAL COVERAGE

Table 1 – Weight of economic activities in the sample and ratio between the weight of the economic activities in the sample and its weight in the population

	Manufacturing		Construction		Trade		Acommodation and food service activities	
	Weight in the sample	Weight in the sample / weight in the pop.	Weight in the sample	Weight in the sample / weight in the pop.	Weight in the sample	Weight in the sample / weight in the pop.	Weight in the sample	Weight in the sample / weight in the pop.
Austria	12,0%	1,5	14,6%	1,2	19,8%	0,9	8,3%	0,9
Belgium	20,4%	1,0	9,2%	1,0	21,4%	1,0	4,1%	1,0
Czech Republic	25,3%	NA	7,1%	NA	16,2%	NA	5,1%	NA
Germany	40,4%	1,1	2,0%	0,7	24,2%	0,9	0,0%	0,0
Spain	18,0%	1,0	7,0%	1,0	23,0%	1,1	7,0%	0,9
France	22,4%	1,2	8,2%	1,0	21,4%	1,0	4,1%	0,8
Croatia	11,5%	1,0	11,5%	1,0	22,9%	1,0	9,4%	1,0
Italy	37,0%	1,0	4,0%	1,0	32,0%	1,0	2,0%	1,0
Luxembourg	0,0%	0,0	10,0%	0,7	20,0%	1,0	0,0%	0,0
Poland	32,0%	3,2	9,0%	0,6	26,0%	1,2	2,0%	0,7
Portugal	24,0%	1,0	6,0%	1,0	37,0%	1,0	4,0%	1,0
Slovakia	29,0%	1,1	5,0%	0,8	35,0%	1,1	1,0%	1,0

Source: Chapter 2 – National Samples, BACH Documents.
The weight in the sample corresponds to the share of each activity in the total sample; the ratio between the share of each activity in the sample and its share in the population identifies the activities over-represented in the sample (ratio above 1), the activities under-represented in the sample (ratio below 1) and the activities that are representative of the population (ratio around 1). Weights can be derived from the figures of the number of corporations, the turnover or the number of employees. Data for 2019 regarding Austria, Germany, Croatia, Czech Republic and Luxembourg were not available at the time of this publication. In such cases, data for the most recent year available (2018, except in the case of Czech Republic, whose most recent information refers to 2017) are used instead. Data for Czech Republic regarding the weight of each economic activity in the respective population are not available. Therefore, the ratio between the weight in the sample and the weight in the population could not be calculated for this country.

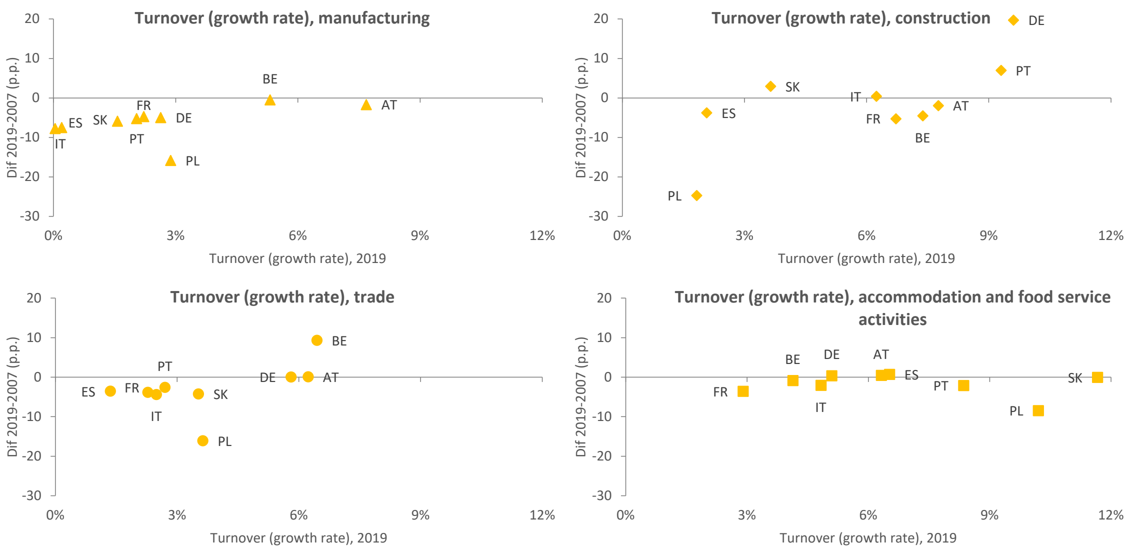
Table 2– Weight of size of corporations in the sample and ratio between the weight of size in the sample and its weight in the population

	Micro and small enterprises		Medium enterprises		Large enterprises	
	Weight in the sample	Weight in the sample / weight in the pop.	Weight in the sample	Weight in the sample / weight in the pop.	Weight in the sample	Weight in the sample / weight in the pop.
Austria	89,0%	NA	9,0%	NA	2,0%	NA
Belgium	39,0%	1,0	21,0%	1,0	41,0%	1,0
Czech Republic	10,0%	NA	21,0%	NA	69,0%	NA
Germany	3,0%	0,2	10,0%	0,8	88,0%	1,2
Spain	45,5%	1,0	12,7%	0,7	41,8%	1,1
France	28,0%	0,8	20,0%	1,1	51,0%	1,1
Croatia	99,0%	1,0	1,0%	1,0	0,0%	1,0
Italy	23,0%	1,0	19,0%	1,0	58,0%	1,0
Luxembourg	81,0%	0,8	11,0%	11,0	7,0%	7,0
Poland	79,0%	NA	16,0%	NA	5,0%	NA
Portugal	27,0%	1,0	15,0%	1,0	31,0%	1,0
Slovakia	30,0%	0,7	29,0%	1,2	42,0%	1,3

Source: Chapter 2 – National Samples, BACH Documents.
The weight in the sample corresponds to the share of the size class in the total sample; the ratio between the share of each size class in the sample and its share in the population identifies the size classes over-represented in the sample (ratio above 1), the size classes under-represented in the sample (ratio below 1) and the size classes that are representative of the population (ratio around 1). Weights can be derived from the figures of the number of corporations, the turnover or the number of employees. Data for 2019 regarding Austria, Germany, Croatia, Czech Republic, Spain and Luxembourg were not available at the time of this publication. In such cases, data for the most recent year available (2018, except in the case of Czech Republic, whose most recent information refers to 2017) are used instead. Data for Austria, Czech Republic and Poland regarding the weight of the size class in the respective population are not available. Therefore, the ratios between the weight in the sample and the weight in the population could not be calculated for these countries.

ANNEX 2 – VALUES BY ECONOMIC ACTIVITY

Chart 14 – Turnover (growth rate by economic activity*)



** Data for 2019 regarding Austria and Germany were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011, Croatia before 2009 and Czech Republic after 2012 are not available in the BACH database. Thus, data for these countries are not included in this chart.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; IT - Italy; PL - Poland; PT - Portugal; SK - Slovakia.

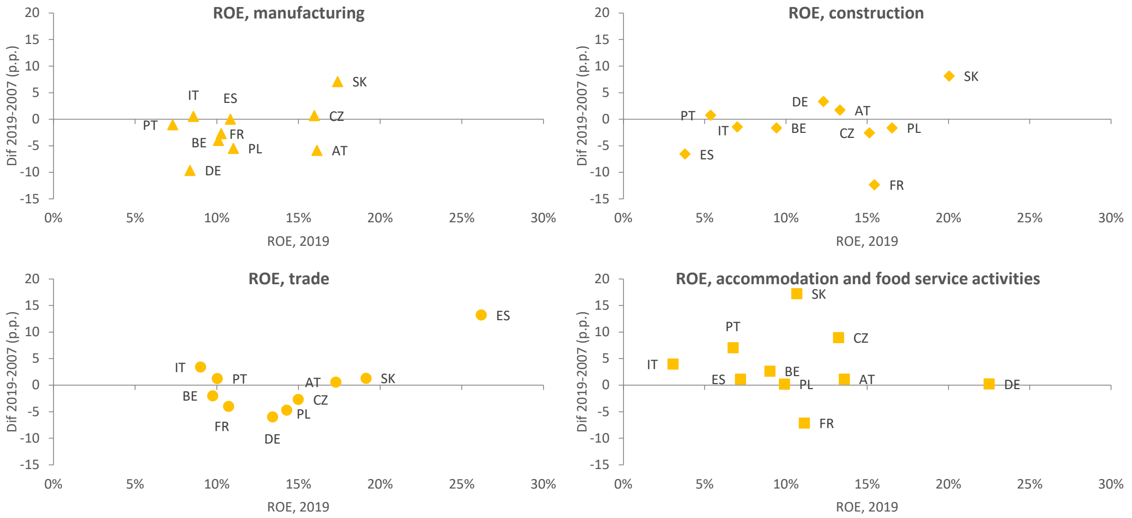
Table 3 – Turnover (growth rate by economic activity*)

	Manufacturing		Construction	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	7,7%	-1,7	7,8%	-1,9
Belgium	5,3%	-0,5	7,4%	-4,5
Czech Republic	NA	NA	NA	NA
Germany	2,6%	-4,9	9,6%	19,7
Spain	0,2%	-7,5	2,1%	-3,8
France	2,2%	-4,7	6,7%	-5,3
Croatia	7,7%	NA	17,1%	NA
Italy	0,0%	-7,7	6,2%	0,4
Luxembourg	-3,1%	NA	2,9%	NA
Poland	2,9%	-15,8	1,8%	-24,7
Portugal	2,0%	-5,2	9,3%	7,0
Slovakia	1,6%	-5,9	3,6%	2,9

	Trade		Accommodation and food services	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	6,2%	0,1	6,3%	0,5
Belgium	6,4%	9,3	4,1%	-0,8
Czech Republic	NA	NA	NA	NA
Germany	5,8%	0,0	5,1%	0,4
Spain	1,4%	-3,6	6,5%	0,7
France	2,3%	-3,8	2,9%	-3,6
Croatia	9,2%	NA	11,2%	NA
Italy	2,5%	-4,4	4,8%	-2,1
Luxembourg	-4,2%	NA	8,2%	NA
Poland	3,6%	-16,1	10,2%	-8,5
Portugal	2,7%	-2,6	8,4%	-2,1
Slovakia	3,5%	-4,2	11,7%	-0,1

** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011, Croatia before 2009 and Czech Republic after 2012 are not available in the BACH database.*

Chart 15 – Return on equity (weighted mean by economic activity*)



** Data for 2019 regarding Austria, Germany and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Thus, data for these countries are not included in this chart.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; IT - Italy; PL - Poland; PT - Portugal; SK - Slovakia.

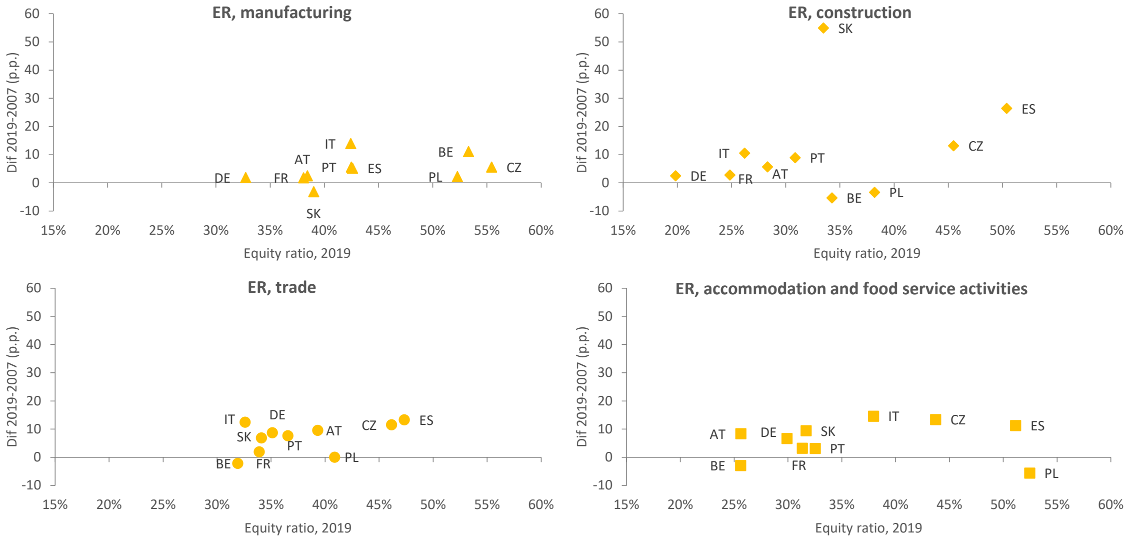
Table 4 – Return on equity (weighted mean by economic activity*)

	Manufacturing		Construction	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	16,1%	-5,9	13,3%	1,7
Belgium	10,1%	-4,0	9,4%	-1,6
Czech Republic	16,0%	0,7	15,1%	-2,6
Germany	8,4%	-9,6	12,3%	3,3
Spain	10,8%	0,0	3,8%	-6,6
France	10,3%	-2,7	15,4%	-12,4
Croatia	4,9%	NA	3,6%	NA
Italy	8,6%	0,5	7,0%	-1,4
Luxembourg	16,7%	NA	9,5%	NA
Poland	11,0%	-5,5	16,5%	-1,6
Portugal	7,3%	-1,0	5,4%	0,8
Slovakia	17,4%	7,1	20,0%	8,1

	Trade		Accommodation and food services	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	17,3%	0,6	13,6%	1,1
Belgium	9,8%	-2,0	9,0%	2,6
Czech Republic	15,0%	-2,7	13,2%	8,9
Germany	13,4%	-6,0	22,5%	0,2
Spain	26,2%	13,2	7,2%	1,1
France	10,7%	-4,0	11,1%	-7,2
Croatia	17,0%	NA	5,7%	NA
Italy	9,0%	3,4	3,1%	4,0
Luxembourg	-3,7%	NA	9,7%	NA
Poland	14,3%	-4,7	9,9%	0,2
Portugal	10,0%	1,2	6,8%	7,0
Slovakia	19,1%	1,3	10,7%	17,2

** Data for 2019 regarding Austria, Germany, Croatia and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database.*

Chart 16 – Equity ratio (weighted mean by economic activity*)



** Data for 2019 regarding Austria, Germany and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Thus, data for these countries are not included in this chart.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; IT - Italy; PL - Poland; PT - Portugal; SK - Slovakia.

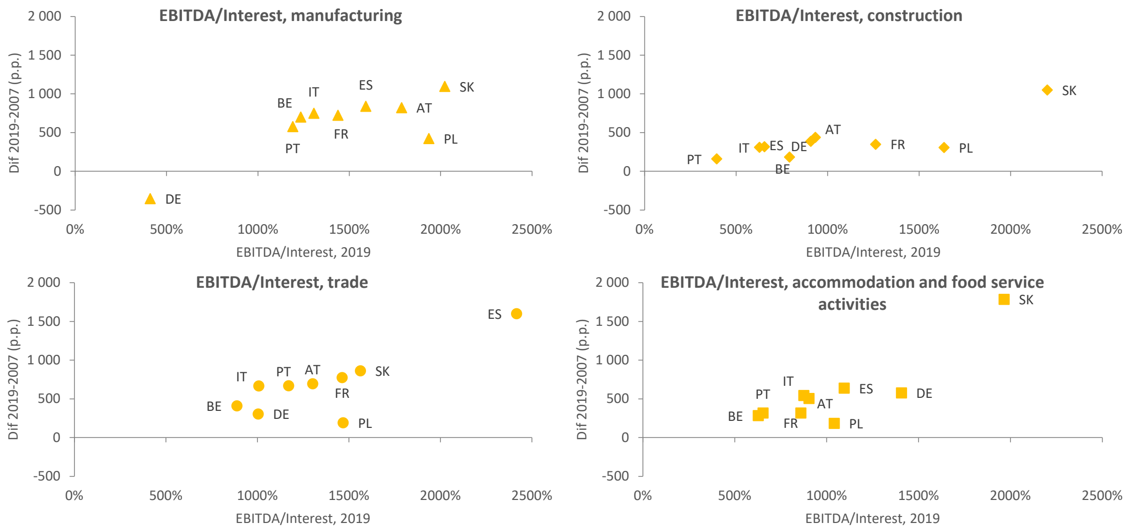
Table 5 – Equity ratio (weighted mean by economic activity*)

	Manufacturing		Construction	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	38,4%	2,5	28,3%	5,7
Belgium	53,3%	11,1	34,3%	-5,3
Czech Republic	55,4%	5,6	45,5%	13,2
Germany	32,7%	1,9	19,8%	2,5
Spain	42,6%	5,2	50,4%	26,4
France	38,1%	1,8	24,8%	2,8
Croatia	38,1%	NA	10,1%	NA
Italy	42,4%	13,9	26,2%	10,6
Luxembourg	46,5%	NA	27,9%	NA
Poland	52,3%	2,2	38,2%	-3,3
Portugal	42,5%	5,6	30,9%	8,9
Slovakia	39,0%	-3,1	33,5%	55,0

	Trade		Accommodation and food services	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	39,3%	9,6	25,6%	8,4
Belgium	31,9%	-2,1	25,6%	-2,9
Czech Republic	46,2%	11,6	43,7%	13,4
Germany	35,1%	8,8	29,9%	6,7
Spain	47,3%	13,3	51,2%	11,3
France	33,9%	2,0	31,3%	3,2
Croatia	24,5%	NA	44,5%	NA
Italy	32,6%	12,5	38,0%	14,6
Luxembourg	32,7%	NA	47,0%	NA
Poland	40,9%	0,1	52,5%	-5,5
Portugal	36,6%	7,7	32,5%	3,2
Slovakia	34,1%	6,9	31,7%	9,4

** Data for 2019 regarding Austria, Germany, Croatia and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database.*

Chart 17 – EBITDA over interest on financial debt (weighted mean by economic activity*)



** Data for 2019 regarding Austria and Germany were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Also, data for Czech Republic data are not available from 2007 to 2019. Thus, data for these countries are not included in this chart.*
Legend: AT - Austria; BE - Belgium; DE - Germany; ES - Spain; FR - France; IT - Italy; PL - Poland; PT - Portugal; SK - Slovakia.

Table 6 – EBITDA over interest on financial debt (weighted mean by economic activity*)

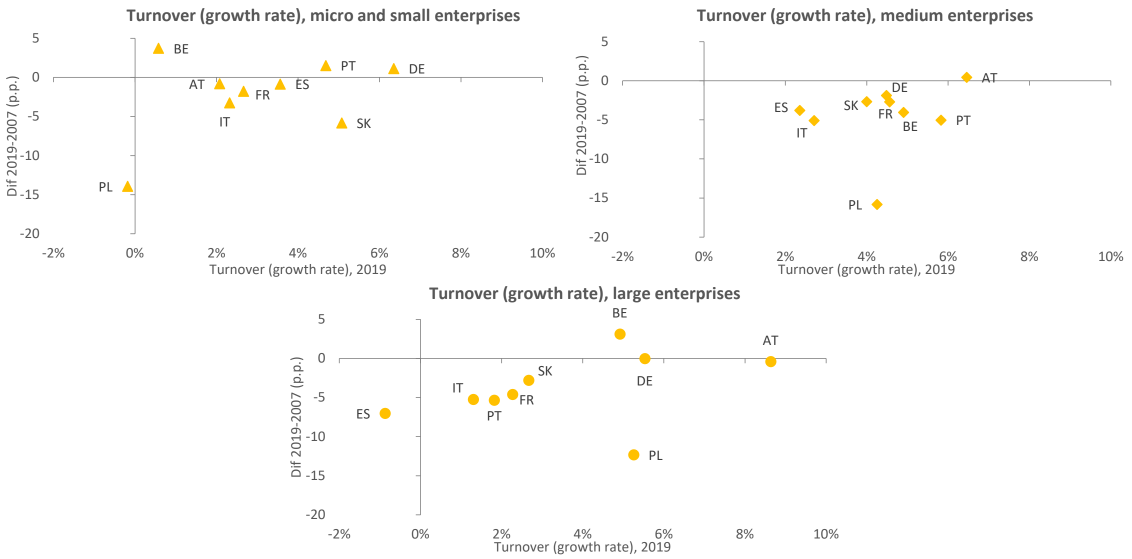
	Manufacturing		Construction	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	1786,2%	822,1	933,1%	437,1
Belgium	1234,8%	700,6	791,2%	184,0
Czech Republic	NA	NA	NA	NA
Germany	410,7%	-353,0	907,6%	385,7
Spain	1590,3%	839,3	654,4%	317,7
France	1437,9%	723,0	1262,3%	348,6
Croatia	1120,9%	NA	550,4%	NA
Italy	1306,4%	749,2	627,8%	308,8
Luxembourg	3200,6%	NA	1170,2%	NA
Poland	1935,5%	423,1	1635,8%	307,8
Portugal	1190,5%	575,7	394,1%	159,6
Slovakia	2022,8%	1 096,0	2199,8%	1 048,9

	Trade		Accommodation and food services	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	1302,4%	695,6	903,3%	505,0
Belgium	887,8%	409,6	627,3%	282,8
Czech Republic	NA	NA	NA	NA
Germany	1004,6%	304,8	1406,7%	576,0
Spain	2416,6%	1 600,4	1095,1%	638,9
France	1463,5%	773,9	859,0%	315,9
Croatia	1261,3%	NA	791,3%	NA
Italy	1007,8%	665,9	875,8%	543,7
Luxembourg	147,8%	NA	715,6%	NA
Poland	1468,7%	191,3	1041,0%	182,5
Portugal	1170,6%	668,2	653,3%	315,8
Slovakia	1563,0%	861,8	1965,9%	1 784,4

** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Also, data for Czech Republic are not available from 2007 to 2019.*

ANNEX 3 – VALUES BY THE SIZE OF ENTERPRISES

Chart 18 – Turnover (growth rate by size*)



** Data for 2019 regarding Austria and Germany were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011, Croatia before 2009 and Czech Republic after 2012 are not available in the BACH database. Thus, data for these countries are not included in this chart.*
Legend: AT - Austria; BE - Belgium; DE - Germany; ES - Spain; FR - France; IT - Italy; PL - Poland; PT - Portugal; SK - Slovakia.

Table 7 – Turnover (growth rate by size*)

	Micro and small enterprises		Medium enterprises		Large enterprises	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	2,1%	-0,8	6,5%	0,4	8,6%	-0,4
Belgium	0,6%	3,7	4,9%	-4,0	4,9%	3,1
Czech Republic	NA	NA	NA	NA	NA	NA
Germany	6,4%	1,1	4,5%	-1,9	5,5%	0,0
Spain	3,6%	-0,9	2,4%	-3,8	-0,9%	-7,0
France	2,7%	-1,8	4,6%	-2,7	2,3%	-4,6
Croatia	7,6%	NA	10,8%	NA	9,4%	NA
Italy	2,3%	-3,3	2,7%	-5,1	1,3%	-5,2
Luxembourg	-19,2%	NA	4,7%	NA	3,7%	NA
Poland	-0,2%	-13,9	4,3%	-15,8	5,3%	-12,3
Portugal	4,7%	1,5	5,8%	-5,0	1,8%	-5,4
Slovakia	5,1%	-5,8	4,0%	-2,7	2,7%	-2,8

** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011, Croatia before 2009 and Czech Republic after 2012 are not available in the BACH database.*

Chart 19 – Return on equity (weighted mean by size*)

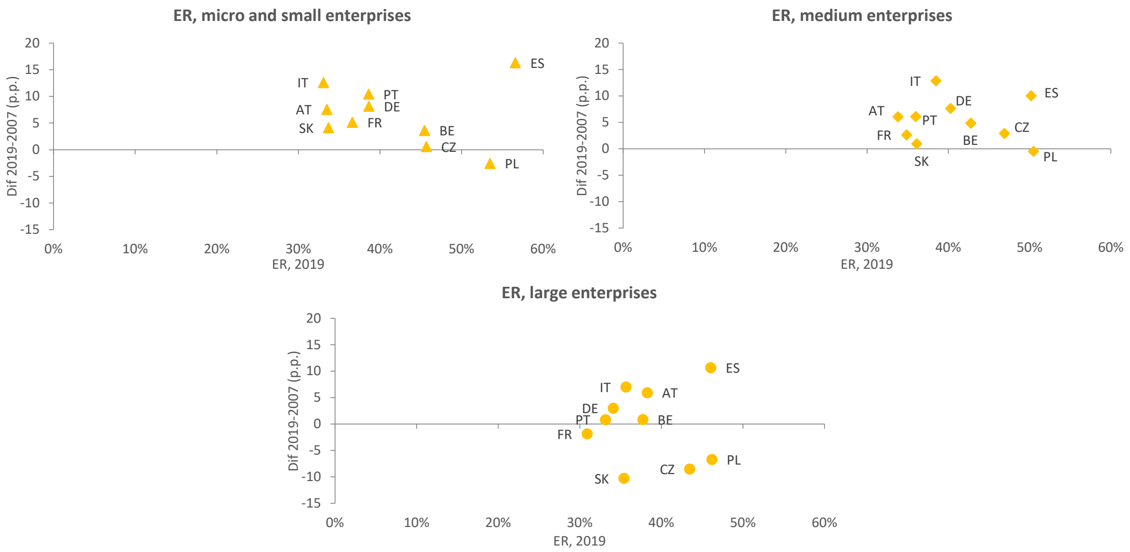
** Data for 2019 regarding Austria, Germany and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Thus, data for these countries are not included in this chart.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; IT - Italy; PL - Poland; PT - Portugal; SK - Slovakia.

Table 8 – Return on equity (weighted mean by size*)

	Micro and small enterprises		Medium enterprises		Large enterprises	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	11,7%	-0,7	11,6%	1,8	13,6%	-2,7
Belgium	8,5%	-2,9	8,9%	-2,0	9,8%	-3,9
Czech Republic	10,7%	0,1	14,4%	2,6	16,9%	2,1
Germany	7,7%	-0,9	7,8%	-3,0	6,9%	-10,4
Spain	5,1%	-1,9	8,7%	0,2	14,5%	2,6
France	10,6%	-4,0	9,2%	-3,2	9,9%	-6,9
Croatia	7,0%	NA	8,8%	NA	7,4%	NA
Italy	6,8%	4,9	8,8%	2,7	8,5%	-1,6
Luxembourg	-2,8%	NA	9,8%	NA	20,0%	NA
Poland	9,1%	-2,4	10,6%	-3,7	7,9%	-4,0
Portugal	5,7%	-3,0	11,4%	1,4	7,5%	-6,7
Slovakia	18,4%	6,2	15,2%	3,1	18,1%	8,4

** Data for 2019 regarding Austria, Germany, Croatia and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database.*

Chart 20 – Equity ratio (weighted mean by size*)



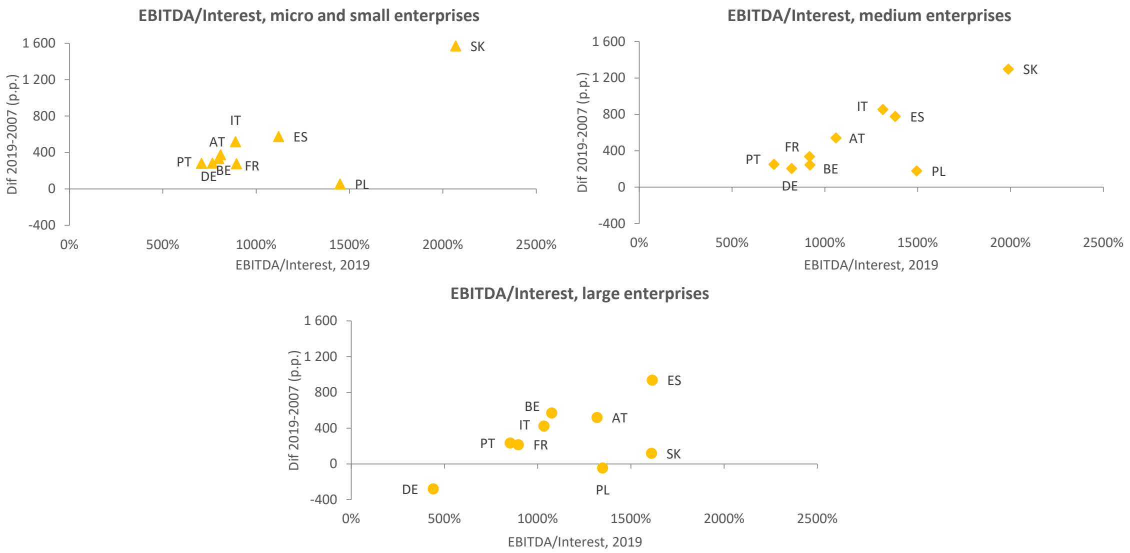
** Data for 2019 regarding Austria, Germany and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Thus, data for these countries are not included in this chart.*
Legend: AT - Austria; BE - Belgium; CZ - Czech Republic; DE - Germany; ES - Spain; FR - France; IT - Italy; PL - Poland; PT - Portugal; SK - Slovakia.

Table 9 – Equity ratio (weighted mean by size*)

	Micro and small enterprises		Medium enterprises		Large enterprises	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	33,5%	7,5	33,8%	6,0	38,3%	5,9
Belgium	45,5%	3,6	42,8%	4,9	37,7%	0,8
Czech Republic	45,7%	0,6	46,9%	2,9	43,5%	-8,5
Germany	38,7%	8,1	40,3%	7,6	34,1%	3,0
Spain	56,6%	16,3	50,2%	10,0	46,1%	10,7
France	36,6%	5,1	34,9%	2,6	30,9%	-1,9
Croatia	24,7%	NA	39,2%	NA	41,3%	NA
Italy	33,1%	12,6	38,5%	12,9	35,7%	7,0
Luxembourg	57,2%	NA	39,4%	NA	27,4%	NA
Poland	53,5%	-2,6	50,5%	-0,5	46,2%	-6,7
Portugal	38,6%	10,4	36,0%	6,1	33,1%	0,8
Slovakia	33,7%	4,1	36,1%	0,9	35,4%	-10,3

** Data for 2019 regarding Austria, Germany, Croatia and Czech Republic were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database.*

Chart 21 – EBITDA over interest on financial debt (weighted mean by size*)



** Data for 2019 regarding Austria and Germany were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Also, data for Czech Republic are not available from 2007 to 2019. Thus, data for these countries are not included in this chart.*

Legend: AT - Austria; BE - Belgium; DE - Germany; ES - Spain; FR - France; IT - Italy; PL - Poland; PT - Portugal; SK - Slovakia.

Table 10 – EBITDA over interest on financial debt (weighted mean by size*)

	Micro and small enterprises		Medium enterprises		Large enterprises	
	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)	2019	Dif 2019-2007 (p.p.)
Austria	809,6%	375,6	1060,0%	542,1	1319,2%	519,3
Belgium	800,1%	332,2	919,5%	245,1	1075,8%	570,0
Czech Republic	NA	NA	NA	NA	NA	NA
Germany	765,8%	283,6	821,0%	205,3	441,1%	-279,0
Spain	1120,8%	576,4	1379,6%	777,9	1615,4%	937,6
France	895,0%	277,1	917,4%	337,0	897,2%	214,8
Croatia	835,8%	NA	820,9%	NA	1323,0%	NA
Italy	890,3%	519,8	1312,9%	854,3	1034,8%	424,1
Luxembourg	-3,9%	NA	546,9%	NA	513,4%	NA
Poland	1450,1%	53,5	1495,3%	178,9	1349,4%	-46,5
Portugal	707,6%	280,8	725,8%	251,8	852,8%	234,0
Slovakia	2068,9%	1 570,6	1988,6%	1 296,1	1611,2%	118,4

** Data for 2019 regarding Austria, Germany and Croatia were not available at the time of this publication. In such cases, data for the most recent year available (2018) are used instead. Data for Luxembourg before 2011 and Croatia before 2008 are not available in the BACH database. Also, data for Czech Republic are not available from 2007 to 2019.*

ANNEX 4 – PROFITABILITY RATIOS AVAILABLE ON BACH DATABASE

Table 11 – Profitability ratios available on BACH database

Code	Profitability ratio	Composition	
R31	Gross value added/Net turnover	Numerator	I1+I2+I3+I41-I5-I6-I81
		Denominator	I1
R32	Gross operating margin [Gross operating profit / Net turnover]	Numerator	I1+I2+I3+I41-I5-I6-I7-I81
		Denominator	I1
R33	EBITDA margin [EBITDA/Net turnover]	Numerator	I1+I2+I3+I41+I42-I5-I6-I7-I81-I83
		Denominator	I1
R34	Net operating margin [Net operating profit/Net turnover]	Numerator	I1+I2+I3+I41-I5-I6-I7-I81-I82-I85-I9
		Denominator	I1
R35	EBIT/Net turnover	Numerator	I1+I2+I3+I4-I5-I6-I7-I8-I9
		Denominator	I1
R36	EBT/Net turnover	Numerator	I1+I2+I3+I4-I5-I6-I7-I8-I9-I10
		Denominator	I1
R37	Net financial income/Net turnover	Numerator	I42-I83-I10
		Denominator	I1
R38	Return on equity [Net profit or loss / Equity]	Numerator	It3
		Denominator	E
R39	Return on assets [Net operating profit/Total assets]	Numerator	I1+I2+I3+I41-I5-I6-I7-I81-I82-I85-I9
		Denominator	A
R310	EBT/Total equity	Numerator	It3+I11
		Denominator	E

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