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Coface publishes CEE TOP 500 Companies: Biggest players benefit from favourable business conditions in CEE

- **Booming economy: increase in turnover by +4.2%**
- **Poland wins again, Czech Republic climbs up to the second rank followed by Hungary**
- **Sectors: 12 of 13 sectors with increase in turnover, only oil & gas still in trouble**

2015 was a good year for Central and Eastern Europe. The average GDP growth was 3.3%, after 2.6% in 2014. Private consumption was rising due to declining unemployment and increasing wages. EU funds supported investments. In short: CEE was faced with a booming economy. But how did the largest businesses perform?

The international credit insurance company Coface presents its eighth annual study on the Top 500 companies in Central and Eastern Europe: the Coface CEE Top 500. It ranks the 500 largest businesses in the region by their turnover and additionally analyses further facts such as number of employees, the framework of the companies, sectors and markets.

“The development in the ranking of the Top 500 companies illustrates the economic conditions of the past year – and it was a successful one. Economies benefited from rising domestic demand due to growing private consumption, which was supported by declining unemployment as well as growing wages, and increasing investments in most economies. Good export rates due to the gradual recovery of its main trading destination Eurozone (GDP growth by +1.6%) and the important support by EU funds made 2015 a year with sound growth for businesses,” explains Katarzyna Kompowska, Coface Region Manager Central and Eastern Europe. *“As a result, the Top 500 companies finished 2015 with an increase in turnover and a stable employment rate.”*

Top 500 players: increase in turnover, modest recruiting

The CEE Top 500 companies increased their turnover by 4.2% to nearly 593 billion EUR and made an enormous rise in their net profits to 26.9 billion EUR (+73.7%). The largest companies in CEE remain very important employers in the region. Overall

4.3% (+0.5%) of the total labour force in the region is employed by the companies of the CEE Top 500 which has a positive effect on the unemployment rates.

Top 3 countries: private consumption as the economic driver

Poland is by far the largest economy in the region and again home to most of the top players in CEE. Due to its strong domestic demand, it went through the financial crisis relatively well. In total, 167 companies are represented in the ranking, although with nine less than in 2014. The Polish economy has been delivering very solid growth rates of above 3% since 2014.

Czech Republic is the country with the highest growth rate (+4.2%) in CEE and one of the lowest unemployment rates in the entire EU (5.1%). The country is second in our ranking. Public investment boosted the economy together with the efficient use of the old EU budget. 71 businesses are listed in the ranking of the biggest companies. It is the fourth consecutive year with increasing numbers. Total turnover grew by +3.1% and net profits by +16.9% to 4.9 billion EUR.

Hungary stays on the podium again but lost one rank. In total, 69 Hungarian companies are represented, which is four fewer than in 2014. Nevertheless, the remaining Hungarian giants reported the highest turnover growth (+13.8%) of all countries. The background of this third rank lies in the solid growth rates since its recession in 2012 (+2.9% in 2015).

Sectors: minerals, chemicals, petroleum, plastics & pharma is the only negative performer

The ongoing upward trend was recorded by the majority of the sectors in the CEE Top 500 as well. 12 out of 13 sectors increased their turnover compared to the previous year. Strong rises were achieved by textiles, leather & clothing with +14.8% and automotive & transport with +10.3%. The traditionally most important sector in the ranking is still minerals, chemicals, petroleum, plastics & pharma with 111 companies out of 500. Although it is the only sector with a decrease in turnover (-8.3%), which is an negative effect of the oil crisis.

Favourable business conditions are extended into 2016. *“The forecast for the CEE region in 2016 is nearly at the same level of 2015 with an estimated average growth rate of 3.0%. A further improvement of the labour market and growing confidence will strengthen the household consumption as the main growth driver of CEE economies,”* adds Grzegorz Sielewicz, Senior Economist Central and Eastern Europe. The

contribution of investments will not be as high as last year due to a slow start of new EU co-financed projects weakening the expansion of construction sector and various other industries cooperating with it. On the external side CEE countries will remain active exporters, however the slowdown of global trade can hamper their ambitions.

Coface CEE Top 500: Country overview

RANK	COUNTRY	NO. OF LISTED COMPANIES	TURNOVER IN MILLIONS EUR	NET PROFIT IN MILLIONS EUR	EMPLOYMENT	COFACE ASSESSMENT 2015	POPULATION (IN MILLION)	GDP PER CAPITA (IN EUR)	GDP GROWTH (IN %)	INFLATION (IN %)	UNEMPLOYMENT RATE (IN %)	LABOUR FORCE (IN MILLION)
1	Poland	167	224,120	1,940	1,034,646	A3	38.0	11,100	3.6	-0.9	7.5	17.1
2	Czech Republic	71	88,133	4,945	225,821	A3	10.5	15,834	4.2	0.3	5.1	5.2
3	Hungary	69	97,195	13,656	241,192	B	9.9	11,053	2.9	-0.1	6.8	4.5
4	Romania	63	54,595	1,375	225,329	B	20.0	8,100	3.7	-0.6	6.8	8.9
5	Slovakia	45	50,869	2,760	115,110	A3	5.4	14,399	3.6	-0.3	11.5	2.7
6	Lithuania	20	20,015	862	138,351	A4	2.9	12,780	1.6	-0.7	9.1	1.4
7	Bulgaria	17	17,765	148	23,529	B	7.2	6,100	3.0	-1.1	9.2	3.3
8	Slovenia	15	14,963	47	31,353	A4	2.1	18,672	2.9	-0.5	9.0	1.0
9	Croatia	13	10,317	451	46,284	B	4.6	10,162	1.6	-0.5	16.3	1.9
10	Latvia	8	7,349	437	17,842	B	2.0	12,033	2.7	0.2	9.9	1.0
11	Serbia	8	4,834	231	54,933	C	7.1	4,592	0.7	1.4	17.7	3.1
12	Estonia	4	2,490	5	14,462	A3	1.3	15,548	1.1	0.1	6.2	0.7

Sources: Eurostat, Statistical Office of the Republic of Serbia, Coface.

Coface Czech Top 10
Turnover and net profit in million EUR

RANK	RANK TOP 100	COMPANY NAME	MAIN SECTOR	TURNOVER 2014	TURNOVER 2015	CHANGE 2014-2015	NET PROFIT 2014	NET PROFIT 2015	CHANGE 2014-2015	EMPLOYMENT 2014	EMPLOYMENT 2015	CHANGE 2014-2015
1	4	ŠKODA AUTO A.S.	Automotive & transport	11,075	11,651	5.2%	681.6	1,140.2	67.3%	23,700	23,700	0.0%
2	8	ČEZ, A.S.*	Utilities & public services	7,465	7,776	4.2%	830.0	760.2	-8.4%	5,373	5,500	2.4%
3	15	HYUNDAI MOTOR MANUFACTURING CZECH S.R.O.	Automotive & transport	3,934	4,649	18.2%	332.0	203.5	-38.7%	2,585	2,585	0.0%
4	19	UNIPETROL RPA, S.R.O.	Minerals, chemicals, petroleum, plastics & pharma	4,284	3,782	-11.7%	68.4	200.3	192.9%	1,626	1,626	0.0%
5	27	ALPIQ ENERGY SE **	Utilities & public services	3,317	3,144	-5.2%	7.0	n.a.	n.a.	85	100	17.6%
6	37	CEZ Prodej, S.R.O.	Utilities & public services	2,665	2,673	0.3%	88.7	179.2	102.0%	221	227	2.7%
7	55	CONTINENTAL BARUM S.R.O.	Automotive & transport	2,062	2,135	3.5%	149.4	122.8	-17.8%	3,600	3,600	0.0%
8	56	MORAVIA STEEL A.S.	Metals	2,226	2,129	-4.4%	40.9	102.7	151.2%	306	306	0.0%
9	61	KAUFLAND ČESKÁ REPUBLIKA V.O.S.	Non specialised trade	1,903	2,043	7.3%	59.0	78.7	33.3%	10,725	11,741	9.5%
10	66	CONTINENTAL AUTOMOTIVE CZECH REPUBLIC S.R.O.	Automotive & transport	1,912	1,980	3.6%	63.2	28.6	-54.8%	7,087	7,745	9.3%



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About Coface

The Coface Group, a worldwide leader in credit insurance, offers companies around the globe solutions to protect them against the risk of financial default of their clients, both on the domestic market and for export. In 2015, the Group, supported by its 4,500 staff, posted a consolidated turnover of €1.490 billion. Present directly or indirectly in 100 countries, it secures transactions of 40,000 companies in more than 200 countries. Each quarter, Coface publishes its assessments of country risk for 160 countries, based on its unique knowledge of companies' payment behaviour and on the expertise of its 660 underwriters and credit analysts located close to clients and their debtors.

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