

panorama

July 2014



BALTIC TOP 50 2014



CONTENTS

- / 02 Coface Baltic Top 50:
Ranking and methodology
- / 03 Country analysis and
country ranking
- / 07 Sector analysis and
sector ranking
- / 09 Coface contacts

Coface is publishing its second edition of the Baltic Top 50. The companies are ranked based on their turnover in 2013. Figures for 2013 show the continuing recovery of the Baltic states. The total turnover of the top players in the North increased by 2.2% to EUR 36.2 billion. Whereas net profits fell from 2011 to 2012, companies have now reported a sharp rise of 54.6%.

Top 3 largest companies in the Baltics

It is hard to beat the three top companies in the Baltics. With a turnover of EUR 6.1 billion, the oil and gas giant Orlen Lietuva is again number 1, although it has some problems to contend with. Both second-placed Vilniaus Prekyba (EUR 3 billion) and the third-placed Maxima Grupe (EUR 2.5 billion) increased their turnover by around 6% and net profits by around 20%.

Country Analysis

Lithuania, already home to a majority of the top companies in 2012 (29), was able to further strengthen its leading position (+2). Unsurprisingly, the country also contributed the largest share in turnover (71.5% or almost EUR 26 billion, +2.7%). Although the Latvian economy still exhibits the highest GDP growth in 2013, its top players were not able to continue their double-digit growth rates from the previous year. In total, turnover by the eleven (-1 company) Latvian top companies decreased by 2.9%. Although the performance of its companies is good, Estonia ranks third again – both in regard to turnover and total number of companies.

Industry Review

The sectors contributing most of the top companies are oil and gas (including service station operators), followed by the sector “Others” (mainly holding companies) and wholesale. The highest turnover growth rates were reported by wholesalers.

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COFACE BALTIC TOP 50 COMPANIES

The Coface Baltic Top 50 panorama is a joint project between the Coface branch offices in Central Europe. This ranking covers the largest companies in the region – based on their turnover for the calendar year of 2013. The study includes the following countries: Estonia, Latvia and Lithuania.

Methodology

The largest companies in each of the above countries (turnover ≥ EUR 120 million) were identified, whereby financial service providers such as banks, insurance

companies, leasing firms and brokers were excluded. In addition to revenues, the ranking of the Coface Baltic Top 50 companies includes other key corporate indicators, e.g. net profits and the number of employees.

Turnover and profit were converted into EUR based on the exchange rate at the end of 2013. The data were taken from our databases and supplemented with external information as required.

Companies which were invited to participate in the survey but refused to take part are not included in the final ranking.

TABLE 1:
Coface Baltic Top 50 companies

Position 2013	Change in Position	Position 2012	Country	Company Name	Main Sector	Turnover in EUR millions 2012	Turnover in EUR millions 2013	Change in Turnover	Net Profit in EUR millions 2012	Net Profit in EUR millions 2013	Change in Net Profit	Employment 2012	Employment 2013	Change in Employment
1	-	1	LT	ORLEN LIETUVA UAB*	Oil & Gas	6,265	6,067	-3.2%	63	-71	-213.5%	2,284	2,158	-5.5%
2	-	2	LT	VILNIAUS PREKYBA UAB*	Others	2,793	2,972	6.4%	66	80	21.5%	32,593	33,448	2.6%
3	-	3	LT	MAXIMA GRUPE UAB*	Others	2,383	2,526	6.0%	51	60	17.5%	29,500	30,200	2.4%
4	-	4	LT	MAXIMA LT UAB	Retail	1,377	1,459	6.0%	45	50	9.8%	16,322	16,845	3.2%
5	-	5	EE	ERICSSON EESTI AS	Telecommunications	1,331	1,353	1.7%	27	20	-24.1%	1,426	1,480	3.8%
6	-	6	LV	URALCHEM TRADING SIA	Wholesale	1,218	1,123	-7.8%	35	24	-30.6%	25	28	12.0%
7	▲	8	LV	LATVENERGO AS	Energy supply	935	944	1.0%	45	26	-41.9%	1,340	1,426	6.4%
8	▲	9	LT	LIETUVOS ENERGIJA UAB*	Energy supply	811	842	3.9%	-227	41	118.0%	4,621	4,378	-5.3%
9	▼	7	LT	KONCERNAS ACHEMOS GRUPE UAB*	Others	1,029	755	-26.6%	33	19	-40.9%	4,900	5,000	2.0%
10	▲	11	LT	LUKOIL BALTIJA UAB	Oil & Gas - Service station operator	722	728	0.9%	5	3	-27.6%	1,150	1,100	-4.3%
11	▲	14	LT	LESTO AB*	Energy supply	661	704	6.5%	-13	14	204.5%	2,555	2,420	-5.3%
12	▲	16	LV	MAXIMA LATVIJA SIA	Retail	641	691	7.9%	20	18	-12.2%	7,437	8,335	12.1%
13	▲	17	LT	SANITEX UAB*	Wholesale	547	644	17.7%	9	12	23.3%	2,161	2,315	7.1%
14	▼	10	LV	ELKO GRUPE AS	Wholesale	726	641	-11.7%	11	4	-62.9%	192	189	-1.6%
15			LV	RIMI LATVIJA SIA	Retail	631	609	-3.5%	13	n.a.	n.a.	5,024	5,085	1.2%
16	▲	30	LT	LINAS AGRO GROUP AB*	Wholesale	388	592	52.7%	27	26	-4.0%	595	1,039	74.6%
17	▼	15	LT	PALINK UAB*	Retail	561	578	3.1%	-3	-42	-1,266.4%	8,860	7,357	-17.0%
18			LV	LATVIJAS GAZE AS	Oil & Gas	608	574	-5.6%	33	32	-2.4%	1,321	1,267	-4.1%
19	▲	21	LT	INDORAMA POLYMERS EUROPE UAB*	Wholesale	462	565	22.3%	7	-9	-225.4%	n.a.	n.a.	n.a.
20			LT	STATOIL FUEL & RETAIL LIETUVA UAB	Oil & Gas - Service station operator	315	548	73.9%	1	7	867.8%	586	565	-3.6%
21	▲	22	LT	KONCERNAS MG BALTIC UAB*	Others	452	513	13.5%	14	18	28.0%	2,983	3,336	11.8%
22	▼	13	LT	ACHEMA AB	Production general	673	511	-24.1%	19	2	-91.7%	1,432	1,432	0.0%
23	▲	35	EE	EESTI ENERGIA NARVA ELEKTRIJAMAD AS	Energy supply	358	486	35.9%	-23	70	406.7%	832	705	-15.3%
24	▼	20	LT	LIETUVOS GELEZINKELIAI AB*	Transport	503	474	-5.8%	37	30	-19.2%	12,446	12,754	2.5%
25	▼	19	EE	ORLEN EESTI OU	Oil & Gas	535	461	-13.9%	2	2	7.7%	25	9	-64.0%
26	▼	18	LT	LIETUVOS DUJOS AB*	Oil & Gas	494	445	-9.9%	22	18	-16.7%	1,690	1,364	-19.3%
27	▼	26	EE	EESTI ENERGIA AS	Energy supply	412	428	3.8%	82	18	-78.5%	n.a.	n.a.	n.a.
28	▼	27	LT	KAUNO GRUDAI AB*	Food industry	401	405	0.9%	8	8	-3.6%	n.a.	n.a.	n.a.
29	-	29	LT	NORFOS MAZMENA UAB	Retail	391	400	2.5%	3	4	31.9%	3,309	3,137	-5.2%
30			LT	ME INVESTICIJA UAB*	Others	307	392	27.6%	16	45	191.3%	4,500	5,700	26.7%
31	▲	38	EE	MAXIMA EESTI OU	Retail	336	381	13.2%	4	4	10.7%	3,575	3,534	-1.1%
32	-	32	LT	NEO GROUP UAB	Production general	367	379	3.1%	2	-1	-137.0%	187	187	0.0%
33	▲	34	LT	RIVONA UAB	Wholesale	358	373	4.3%	-0	1	1183.2%	1,015	1,020	0.5%
34	▲	45	LT	GIRTEKA LOGISTICS UAB	Transport	295	370	25.6%	5	17	236.8%	193	292	51.3%
35	▲	36	LT	SENUKU PREKYBOS CENTRAS UAB*	Wholesale	351	368	4.9%	10	11	11.4%	5,125	5,475	6.8%
36	▼	23	LT	LIFOSA AB	Production general	419	362	-13.6%	13	-11	-182.3%	974	974	0.0%
37	▼	28	LV	LDZ CARGO SIA	Transport	396	362	-8.7%	12	5	-60.5%	2,808	2,802	-0.2%
38	▼	33	EE	RIMI EESTI FOOD AS	Retail	359	361	0.5%	3	3	12.7%	2,102	2,051	-2.4%
39	▼	24	LT	LIETUVOS ENERGIJOS GAMYBA AB*	Energy supply	418	347	-16.9%	11	31	181.3%	1,180	1,104	-6.4%
40			LT	AGRORODEO UAB	Wholesale	219	346	58.0%	0	6	1436.7%	20	25	25.0%
41	▼	40	EE	SELVER AS	Retail	331	343	3.7%	9	5	-48.7%	2,124	2,066	-2.7%
42	-	42	LT	SBA KONCERNAS UAB*	Others	323	335	3.9%	8	7	-10.8%	4,200	4,300	2.4%
43	-	43	LV	NESTE LATVIJA SIA	Oil & Gas - Service station operator	298	327	9.6%	6	6	6.2%	57	50	-12.3%
44	▼	41	LV	LUKOIL BALTIJA R SIA	Oil & Gas - Service station operator	328	326	-0.8%	4	4	-11.9%	450	439	-2.4%
45	▼	31	EE	NESTE EESTI AS	Oil & Gas - Service station operator	371	316	-14.8%	4	5	17.7%	39	39	0.0%
46			LT	EUROAPOTHECA UAB*	Others	280	305	8.9%	15	17	12.2%	2,530	2,628	3.9%
47	▼	44	LV	SADALES TIKLS AS	Energy supply	298	298	0.1%	1	12	1,425.9%	2,542	2,505	-1.5%
48	▼	46	LT	ORION GLOBAL PET UAB	Production general	293	293	0.0%	7	-4	-153.0%	126	121	-4.0%
49	▼	37	LT	INDORAMA HOLDINGS EUROPE UAB*	Wholesale	351	289	-17.6%	12	2	-85.9%	n.a.	n.a.	n.a.
50	▼	47	LV	AIR BALTIC CORPORATION AS	Transport	277	279	0.6%	-31	2	106.5%	1,154	1,086	-5.9%

* Consolidated figures

The Baltic economies provided the highest growth rates within the CEE region in the last three years following a severe contraction of GDP in 2009; in the case of Latvia by almost 18%, 15% in Lithuania and 14% in Estonia. The Baltics' exposure to exports differs from that of other CEE countries as a result of their geographical location and historical links - they trade more closely with the CIS countries, namely Russia, Ukraine and Belarus.

The Baltic economies at a glance

Latvia and Lithuania in particular have been able to benefit from the demand from CIS economies at a time of eurozone slowdown. Although they suffered from their weak position in the value-added chain, they were able to increase exports noticeably (particularly Lithuania, which has recorded double-digit growth in exports every year since 2010).

The current perspectives of the Baltics are under pressure of the situation in Russia, both economic and political ones. The Russian market remains a significant trading partner for the Baltics. Whereas Coface is forecasting a recession of 0.5% in 2014 in Russia, the demand side is still experiencing increasing turnover in the retail trade supported by growing wages. However, confidence among Russian companies is not strong and fixed capital investments have been stuck in negative dynamics since last year. Moreover, the Baltics are also affected by the recent crisis in Ukraine. Russia's annexation of Crimea has triggered EU sanctions, and Baltic companies with a high level of exposure to Russia could suffer from that in addition to being affected by the slowdown in Russian growth.

Insolvencies represent a huge social problem, especially in small towns where a large company can often be the sole provider of employment for the majority of the community. Additionally, bankruptcies also affect other businesses which have commercial links with the insolvent company - this is the case with the largest

insolvencies in the CEE region, with that of Ukio Bank in Lithuania impacting the situation of local entrepreneurs, and that of the Latvian iron and steel manufacturer Liepajas Metalurgs affecting foreign partners as well.

Similarly to the whole economy, growth rates of the Top 50 companies slowed down compared to 2012. The total revenue of the 50 biggest companies in the region rose by 1.7% year-on-year from EUR 35.6 billion to approximately EUR 36 billion in 2013. Whereas net profits declined in 2012, they increased again - albeit still not reaching previous levels - by 24.7% to EUR 650 million. Top companies employed about 5.2% of the total workforce in the Baltics. Whereas unemployment dropped in Estonia and Lithuania, it increased again in Latvia. Top companies in the Baltics did not follow this trend: Whereas those in Estonian reduced their staff levels (-2.4%), employment rose in Latvia (+3.9%) and more moderately in Lithuania (+1.8%).

Lithuanian companies are again the largest and most numerous in the Top 50 ranking: 31 of them generated a turnover of EUR 25.9 billion. Their net profit was EUR 390.1 million (+47.1%). Latvia comes second in the country ranking, although the turnover of the eleven Latvian companies in the Top 50 fell by 2.9% to EUR 6.2 billion. Net profits reached EUR 132.6 million. As in the previous year, Estonia accounted for the smallest number of large companies: eight. Their profits increased by 17.9%, whereas turnover rose only slightly (EUR 4.1 billion, +2.4%).

Top 10 companies

There were hardly any changes within the Top 10 compared to 2012. It is again dominated by Lithuanian companies (seven). Only one is from Estonia and two are from Latvia. Over 50% of the total turnover of all 50 companies was generated by those ten companies, which underlines their importance in the Baltics. They employ 2.7% of the total workforce of the whole region.

The positions 1 - 6 remain firmly in the hands of last

GRAPH 1:
Coface Baltic Top 50 - Number of companies per country in 2013



GRAPH 2:
Coface Baltic Top 50 - Turnover per country in 2013 (EUR billions)



TABLE 2:

Coface Baltic Top 50 – Country comparison 2013

	Top 50 Turnover (EUR millions)	Top 50 Net profit (EUR millions)	Top 50 Employment	Country Risk Assessment	Population (millions)	GDP/capita (EUR)	GDP growth (%)	Inflation (%)	Unemploy- ment rate (%)	Labour force (millions)
Lithuania	25,889.5	390.7	150,674	A4	3.0	11,697	3.3	1.2%	11.4%	1.8
Latvia	6,174.1	132.6	23,212	B	2.0	11,575	4.6	0.0	14.2	1,0
Estonia	4,128.3	127.0	9,884	A3	1.3	14,010	1.1	3.2	8.6	0.7

Sources: National Statistical Offices of the respective country, Coface.

year's top companies. With a turnover of EUR 6.1 billion, Lithuanian oil and gas giant Orlen is hard to beat – although sales dropped by 3.2%. Vilniaus Prekyba had a fairly successful year in 2013 and increased its profits by 6.4% to almost EUR 3 billion, which is just over a half of the profits of Orlen. Maxima Grupe is third again, followed by its subsidiary Maxima Lithuania in fourth. Both companies are based in Lithuania and increased their profits by around 6%.

Estonian Ericsson Eesti (5th) and Latvian Uralchem Trading (6th) are the best non-Lithuanian companies in the ranking. Both maintained their positions from 2012. The energy suppliers Latvenergo (7th) and Lietuvos Energija (8th) improved their positions only due to a huge fall in the turnover of Lithuanian Koncernas Achemos Grupe (rank 9, -26.6%). The last company is the only newcomer within the Top 10: Lukoil Baltija, a Lithuanian oil and gas company and service station operator, moved up one place.

The biggest jumpers and top performers

The highest new entry this year comes from Lithuania. ME Investicija and Girteka Logistics both belong to the rapidly growing transportation group Girteka. Whereas ME Investicija is new in this listing (rank 30) thanks to its growth in turnover of 27.6% in 2013, Girteka jumped eleven positions to 34 (+25.6%). Estonian energy supplier Eesti Energia Narva Elektriijaamad not only shot up from rank 35 to 23, but also reported one of the highest net profit figures.

Statoil Fuel & Retail, a service station operator from Lithuania, jumped to position 20. Newcomer Agrorodeo, a wholesaler of grains, increased its turnover by 58% and rose to 40th place. Its net profit also rocketed, by 1,436.7% from EUR 389,828 to EUR 6 million. Linas Agro Group, which is also a wholesaler of agricultural products, moved up 14 places to 16th by raising its turnover by 52.7% to EUR 591.7 million.

1. LITHUANIA

Economy

Lithuania is the most energy-dependent country in Europe, as 84% of energy consumed is imported. However, recent steps by the Lithuanian government aimed at weakening its energy dependence on Russia have resulted in it buying back key parts of the country's energy infrastructure from Gazprom.

Domestic demand is a significant driver of the Lithuanian economy, and it has benefited from an 18% rise in the minimum wage since 2013 as well as from the downward trend in the unemployment rate, which recently fell to 11% after peaking at 18% in 2010. Private consumption will remain an important contributor towards Lithuania's GDP growth in 2014, and will offset the periodic trade disruptions with Russia affected by the economic slowdown. It grew by 4.2% in the first quarter of 2014, reflecting among other things a rise in wages, which increased by 4% in real terms. In the same period, the more optimistic expectations of companies assessing growth in future demand are confirmed by a strong rise in gross fixed capital investment, which expanded by more than 12%, the strongest rate since the first half of 2011. Exports of goods fell by 7.5% in the first quarter of 2014, reflecting to some extent Russia's role in Lithuania's trading structure, accounting for around one sixth of total exports.

In 2013, the highest share of insolvencies was recorded by wholesale and retail trade entities, accounting for nearly one third of the total. Overall, Lithuania's economy registered 1,517 insolvent companies, i.e. 8% more than the year before. The deterioration of the transportation and storage sector in line with the lower demand for such services resulted in a 48% increase in the number of insolvencies in this sector. Other reasons for the high number of insolvencies include the increase of the minimum wage in Lithuania as of 1 January 2013

to EUR 285 (an increase of 18%). On the one side, this led to improved household purchasing power but on the other side it paradoxically also hit companies with a rise in labour costs.

Lithuania in the ranking

Lithuanian companies again account for the highest turnover in the Baltics. Moreover, the number of companies from the country represented in the study rose to 31, two more than in 2012. Its positive economic development is reflected in the increase in turnover of these companies by 2.7%, and is even more visible in their growth in net profit by 47.1%.

The Lithuanian companies of this ranking remain an important employer. Over 136,000 people work for them, which corresponds to 8.2% of the total workforce in Lithuania.

The most important sectors are oil and gas (including service station operators), "Others" (including holding companies) and the wholesale trade. Lithuania is home to the biggest players in these sectors. Of the 31 companies, seven operate within the sectors "Others" and the wholesale trade. The latter accounts for two of the three real newcomers in the ranking: Agrorodeo and Euroapothea. Oil and gas remains a leading sector, mainly due to Orlen's huge turnover - although the company lost part of its Ukrainian market.

2. LATVIA

Economy

Looking back to 2013, Latvia's performance was good compared to the other Baltic countries. GDP increased

by 4.1% (the highest level within the EU) compared to the EU average of just 0.1%. It is also forecast to maintain its leading position with a growth rate of 3.8%. Private consumption in Latvia has been growing, and is projected to increase further, supported by a decrease in the unemployment rate and an increase of 12.5% in the minimum wage.

A recovery in investment is anticipated, with business confidence remaining stable thanks in part to the recent adoption of the euro. However, business could suffer from the unstable geopolitical situation in Russia and Ukraine, with the probability of further sanctions against Russia which could have an adverse effect on Latvia's economic growth, including business performance. Continued deleveraging, mainly in the private sector, remains a constraint for the retail trade in the Latvian economy.

The positive business environment helped to reduce the number of insolvencies in Latvia by 7%, with 818 entities becoming insolvent in 2013. However, companies recorded lower demand compared to recent years, which has affected the trade sectors. The main insolvencies in Latvia were Liepajas Metalurģis AG, a manufacturer of iron and steel, and Plus Punkts, a provider of newspaper and magazine distribution services. Both companies made almost 2,500 employees redundant, and with liabilities of nearly EUR 200 million they had a significant impact in a country of two million inhabitants.

Latvia in the ranking

The high performance of Latvian companies in 2012, where double-digit growth rates were reported, could not be repeated in 2013. Compared to the previous ranking, Latvia contributed fewer companies



Grzegorz Sielewicz
Chief Economist Central Europe

Thanks to the recovery of the advanced economies, the Baltic States will benefit from growing exports, while domestic factors also provide opportunities for internal improvement. However, the deleveraging process is ongoing and still represents a constraint, with credit growth stuck in negative territory. Coface forecasts that Lithuania and Latvia will experience solid real GDP growth of at least 3% in 2014. Nevertheless, the pace of growth will be lower than a year ago, mainly due to increased geopolitical risks in the region given the significant exposure of the Baltics to trade and business relations with Russia.

(-1). In total, those eleven companies generated a turnover of EUR 6.2 billion (-2.9%) and a net profit of EUR 132.6 million (-1.9%). Six of the remaining Latvian companies reported a decline in turnover. For five of them, this led to a worse position in the ranking. Only two Latvian top players moved up.

Although the turnover of energy supplier Latvenergo rose by 1%, it owes its move up the ranking to the huge fall in turnover of the Lithuanian Konzernas Achemos Grupe (-26.6%). The retailer Maxima Latvija gained four places (from 16th position to 12th) through its own efforts: its turnover rose by 7.9% to EUR 691.3 million.

The sectors with the biggest slump in turnover were wholesale (-9.2%) and transport (-4.8%). Uralchem Trading, a wholesaler of mineral fertilizers with production facilities in Russia, remains the company with the highest turnover in Latvia (EUR 1.1 billion), although it had to face a decline in both turnover (-7.8%) and net profit (-30.6%). The highest decrease in turnover by a Latvian company was reported by Elko Grupa, an IT product wholesaler (-11.7%), down four places to 14. LDZ Cargo, a subsidiary of Latvian Railways, provides freight transportation by rail and fell nine places in 2013. Its turnover declined by 8.7%, while net profits more than halved.

3. ESTONIA

Economy

Estonia's real GDP growth rate in 2014 will not be as impressive as that of the other Baltic states. However, unlike theirs it will increase - from 0.8% in 2013 to 2.2% in 2014. The geographical structure of its external trade is not as much based on trade with Russia (which still accounts for 12%), but focuses mainly on Finland (16%) and Sweden (15%). This helps to diversify the external contribution to economic growth, especially given the current geopolitical risks.

In 2013, Estonia also benefited from rising domestic demand supported by a decreasing unemployment rate, which has settled at below 8% in the last few months. Private consumption will be boosted by wage rises, which, however, result from a lack of skilled labour. This is in turn due to the population of working age decreasing more rapidly than the population as a whole.

Nevertheless, Estonia remains dependent on external demand, as exports account for around 70% of total industrial output. This country, which is one of the birthplaces of Skype, has recognised expertise in IT services and in the manufacturing of components and computers, which will continue to perform well in 2014.



As well as this, Estonia is a net exporter of electricity thanks to its oil shale reserves. It possesses 17% of European reserves and is the world's largest consumer (80% of world extractions).

Estonia in the ranking

Estonia is represented by eight top companies this year, which is one less than the previous year. The country therefore remains number 3 in the country ranking. The Estonian top players generated a turnover of EUR 4.1 billion in 2013 (+11.4%). Net profits rose by 17.9% to EUR 127 million. Contrary to the other Baltic states, Estonian top companies released staff in 2013 (-2.4%). Nevertheless, the country still has the lowest unemployment rate in the region.

The top companies in Estonia operate in the following sectors: retail (3), oil and gas (2), energy supply (2) and telecommunications (1). The biggest player on the Estonian market is still Swedish-based Ericsson Eesti, which held 5th position. Whereas two Estonian companies moved up the listing, five dropped down. The highest increase in turnover by an Estonian company was reported by Eesti Energia Narva Elektriijaamad, the largest producer of electrical energy in Estonia. Its turnover rose by 35.9% to EUR 486.1 million, and as a result the energy supplier jumped twelve positions in the listing.

Retailers profited from the rising demand caused by wage increases. The biggest move up the ranking was achieved by Maxima Eesti. The Dutch retail chain operates in all of the Baltic countries, but its Estonian subsidiary reported the highest growth in turnover (+13.2%). Four new Maxima XX stores were opened over the past two years in the country.

¹ The net profit of Rimi Latvia was not available for 2013. The change in net profits was calculated without the figures for the company in 2012 and 2013 to make it comparable.

BALTIC TOP 50 – SECTOR ANALYSIS

Table 3 shows which sectors contribute most of the Coface Top 50 companies in the Baltics. Ranked by turnover and number of companies, the oil and gas sector (including service station operators) remains the largest. It is followed by the sector “Others” (including holding companies). Although the wholesale sector contributes as many companies as the oil and gas sector, it only ranks number 3 when it comes to turnover. Most of the movers up the listing were wholesalers (5) followed by energy suppliers (4).

THE TOP 3 SECTORS

Oil and gas

Nine oil and gas companies (including service station operators) generated a turnover of EUR 9.8 billion (-1.5%). Profits fell sharply by 95.2%.

The biggest decrease in profits was reported by the number 1 in this ranking: Low margins – mainly due to the shale gas and oil revolution – and the political instability in Ukraine which led to a partial loss of this market at the end of the year, made 2013 very difficult for Orlen Lietuva and it reported a net loss of EUR 71 million. The other companies in this sector faced similar challenges last year. Only three increased their turnover, while four achieved an increase in profits.

Oil and gas companies also had the highest redundancy rates in 2013: Staff figures decreased by 8% to 6,991. The trend from 2012 is therefore continuing.

TABLE 3:
Coface Baltic Top 50 – Top 5 sectors 2013

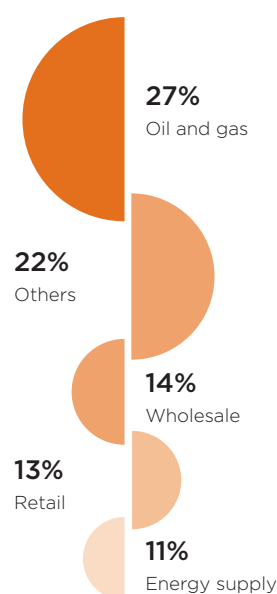
	Top 50 Turnover (EUR millions)	Number of companies
Oil & Gas	9,792	9
Others	7,799	7
Wholesale	4,941	9
Retail	4,822	8
Energy supply	4,051	7

Sources: Coface, financial reports.

Others

The second highest turnover was generated by the sector “Others” which includes mainly holding companies. Companies in this sector earned EUR 7.8 billion in 2013 and seven of them are present in the listing. This sector was among the best performing ones in 2013. Turnover rose by 3.1%, while net profit rose significantly from EUR 201.4 million to EUR 245.5 million (+21.9%).

GRAPH 3:
Coface Baltic Top 50 – Turnover per sector 2013



The top companies increased their staffing levels compared to 2012 (+4.2%). With a total work force of 84,612 employees, holding companies remain the largest employers in the Baltics.

The highest-ranked company is Vilniaus Prekyba, a holding company that controls and manages chains of retail stores and pharmacies in the Baltic States, Poland and Bulgaria. It is the number 2 in this ranking. Only Lithuanian companies are represented in this sector.

Wholesale

The sector with the third highest turnover (EUR 4.9 billion) is wholesale. It shares first position with oil and gas when ranked by the number of companies (9). Although the turnover of this sector rose by 7%, profits fell to EUR 77.6 million (-30.9%). Employment again increased by 10.5%.

Unsurprisingly, Lithuania is home to almost all of the companies in this sector (seven out of nine). The top performers are Linas Agro Group and Agrorodeo, both of which trade in agricultural products and increased their turnover by over 50%. A record crop harvest in 2012 significantly improved the sales and profits of agricultural traders in the period 2012–2013 which is also reflected in the results of companies operating in this field.

Sources

Coface Central Europe, national statistical offices, national central banks, and the financial reports of the respective companies.



COFACE - OUR SERVICES IN CENTRAL EUROPE

The Coface Group

Coface is a trade risk expert and a worldwide leader in credit insurance. It assists companies – regardless of their business sector, size or country – as they grow within their own country and those to which they export. The Group's strength is based on close to 70 years of experience, highly-experienced employees and a powerful international network which is able to market its services wherever our customers are.

Each quarter, Coface publishes its country risk assessments for 157 countries.

Coface - a pioneer in CEE

Coface covers seven regions worldwide. The headquarters for the Central European region are based in Vienna. With its twelve branches, Coface employs over 700 people in the region to cover the increasing demand of these fast growing markets. Its mix of local management and market knowledge and its network of expertise in risk management are unique in Central Europe. This allows a broad-based range of services covering credit insurance, business information and collection services that makes Coface the risk management partner with the most extensive know-how in the region.

Our offer

Credit Insurance: to control your risk

Whether SMEs or major corporate groups, Coface is there by their side the world over. In which role? That of an adviser and guide - supporting them and securing their transactions by protecting them against the risk of their clients defaulting. For our clients, choosing Coface means lining up the odds on their side for taking the right decisions and optimising their chances of success by protecting against the financial risks inherent in their business as early as possible.

Business Information: take acceptable risks

Non-payment risk prevention begins with gathering relevant and up-to-date information on buyers and their environment. The analysis of this information helps with decision-making. Our business information services offer a wide range of products.

Debt Collection: limit your losses

Debt collection is an essential facet of the risk management that Coface offers its clients. This activity requires a high level of legal expertise and a global talent network, which Coface possesses through its own resources as well as those of its "Coface Partner" network.

Our clients have access to our debt collection services for both their insured and uninsured invoices.

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