Economic and financial indicators of the private non-financial corporations
2015

30 November 2016

Banco de Portugal releases today, in table A.22 of the Statistical Bulletin and in BP*stat,* the economic and financial indicators of the private non-financial corporations for 2015.

The private corporations' return on equity reached 7.6 percent in 2015, 4.8 percentage points (p.p.) above the value observed in 2014 (Chart 1).

The capital ratio (equity in percentage of assets) increased, reaching 32.4 percent (30.2 in 2014). Simultaneously, the weight of loans in assets has declined 1.5 p.p., to 32.6 percent. The cost of debt (interest expenses / obtained funding) stood at 3.7 percent, corresponding to a reduction of 0.4 p.p., a more noticeable decline than the one observed in the previous year (0.1 p.p.).

The reduction of indebtedness and cost of debt, combined with the increase of profitability resulted in a general improvement in the funding ratios.

More specifically, the interest coverage ratio (EBIDTA[1] / interest expenses) increased from 3.7 to 5.4. The ratio on obtained funding over EBITDA, which is a proxy for the number of years needed to reimburse the corporation's funding, keeping the current EBITDA level, stood at 5 years (7 years in 2014).

Regarding the risk indicators, in 2015 there was a reduction in the percentage of corporations with negative EBITDA (2.3 p.p. to 33.2 percent), with interest expenses greater than EBITDA (2.1 p.p. to 14.5 percent) and with negative net profits (2.9 p.p. to 39.6 percent) (Chart 2). The share of corporations with negative equity declined to 28.7 percent in 2015 (29.3 in 2014).

The large corporations and the exporting corporations presented lower values in risk indicators than the SMEs.

Chart 1 • Return on equity (in percentage)
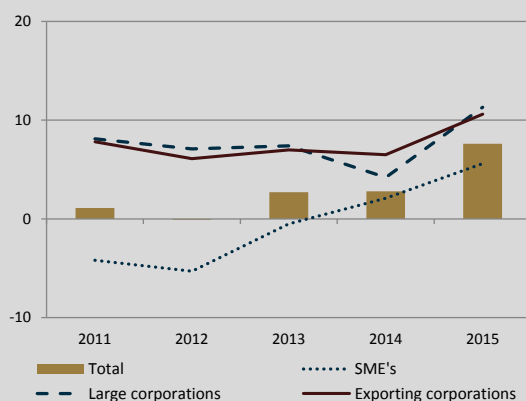
Chart 2 • Risk indicators (in percentage of the number of corporations): 2015, by sector and size class
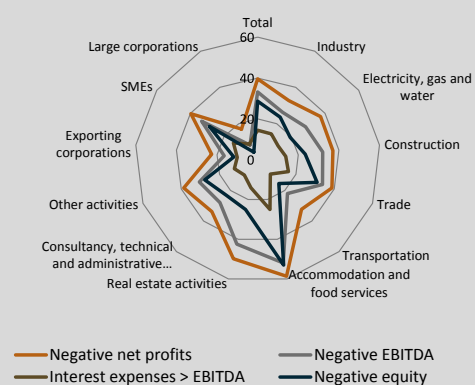
[1] Earnings before Interest, Taxes, Depreciation and Amortization.

Additional information available at:

Chapter A.22 of the Statistical Bulletin

Statistical domain of the main indicators in BP*stat*|Statistics *online*

Next update: 20 November 2017

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