

# STATISTICAL PRESS RELEASE



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## Central Balance-Sheet Study | 22 – Analysis of export sector companies in Portugal

Banco de Portugal has published *Central Balance Sheet Study | 22*, analysing the economic and financial situation of non-financial corporations belonging to the export sector.

The study focuses mainly on the 2007-13 period and is based on data from Banco de Portugal's Central Balance Sheet Database.

The results of exporting companies are analysed, compared to those of non-exporting companies and of the non-financial corporations aggregate (NFCs). The sectoral structure of exporting companies is broken down by size class, sector of economic activity, geographical location and maturity.

### Main results

The export sector comprises companies for which the external market has greater relevance. Hence, every year this sector includes companies where at least 50% of turnover results from exports of goods and services or at least 10% of turnover results from exports of goods and services when these exceed €150,000.

### Structure and dynamics

In the 2007-13 period 19,000 exporting companies were identified on average per year. There was a relative concentration of exports in a sub-set of companies common to the whole period under analysis (called 'common exporting companies'). In 2013 this sub-set comprised 5,000 companies (22% of exporting compa-

nies), together representing 66% of total export volume. The 100 largest exporting companies (0.5% of the total) accounted for 45% of exports.

In the period under analysis, a significant share of operating companies reoriented their offer towards the external market ('converted exporting companies'), corresponding to 26% of exporting companies in 2013 (15% of exports).

In turn, new companies, which were oriented towards the external market from the moment they were created, had a lower share, accounting for 12% of total exporting companies and 4% of the volume of exports in 2013 (Chart 1).

Export growth in Portugal in the period under analysis was mainly due to companies already settled in the market — common exporting companies.

In 2013 the export sector covered 5% of the number of companies, 23% of the number of employees and 35% of turnover of NFCs in Portugal. Compared to 2007, representativeness of this sector rose by 1 p.p. in the number of companies, 3 p.p. in the number of employees and 8 p.p. in turnover (Chart 2).

Chart 1

Dynamics of the set of exporting companies (2013)

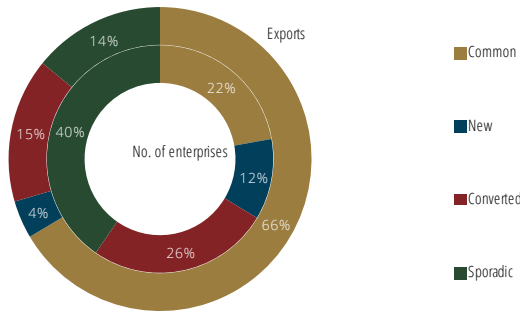
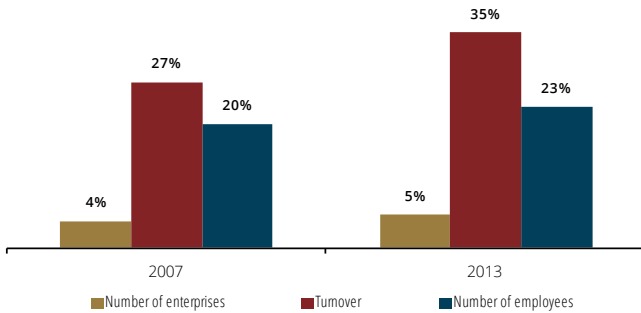


Chart 2

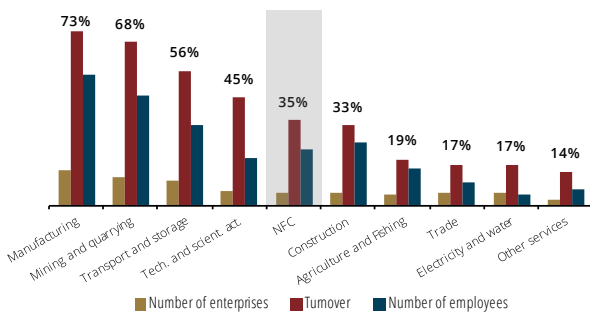
Share of the export sector in total NFCs (2007 and 2013)



The export sector played a particularly relevant role in *Manufacturing, Mining and quarrying* and *Transport and storage*, accounting for over half of turnover in these activities (Chart 3).

Chart 3

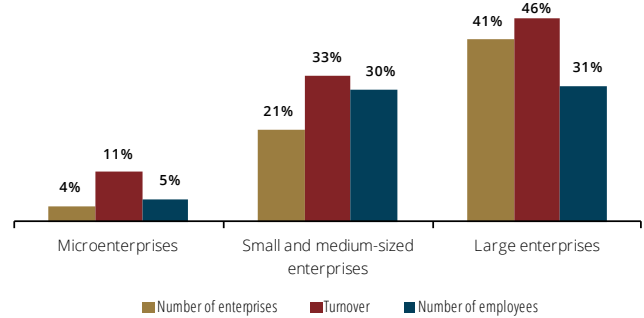
Share of the export sector | By sectors of economic activity (2013)



The degree of openness to trade increases with the size of the company. In 2013 only 4% of microenterprises were exporting companies, a share that amounted to 21% in small to medium-sized enterprises and 41% in large enterprises (Chart 4).

Chart 4

Share of the export sector | By size classes (2013)



Exporting companies were predominantly located in the Lisbon and Porto districts, incorporating respectively 25% and 21% of the number of companies, 26% and 22% of the number of employees and 41% and 17% of turnover.

## Business and profitability

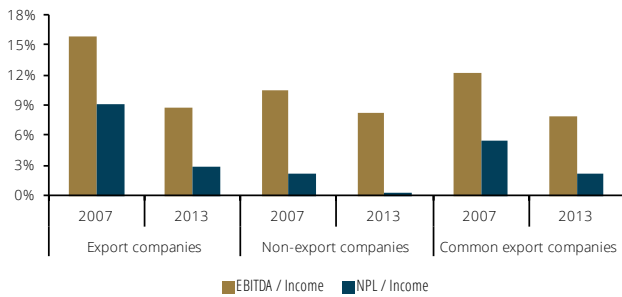
Exporting companies have shown greater activity than the other companies in Portugal. The trend of turnover for exporting companies was more positive in general in the period under analysis.

The margins (EBITDA and net) of exporting companies had more favourable developments than those of non-exporting companies, especially the net margin (net profit or loss for the period (NPL)/income), where the differential reached 3 p.p. in 2013 (Chart 5).

In terms of profitability the export sector had a lower share of companies with negative EBITDA and NPL than the non-export sector.

Chart 5

Profit | Share of total income (2007 and 2013)



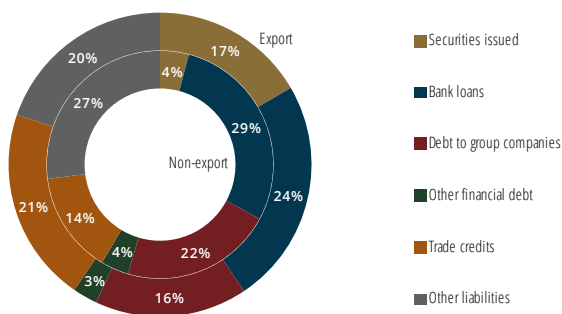
## Financial structure

In 2013 the financial situation of the export sector in comparison with that of the other companies was favourable: the sector had higher capital ratio (36% vs. 28%), a lower share of companies with negative equity (13% vs. 30%), and lower financial pressure (20% vs. 36%).

Interest-bearing debt accounted for the most significant share of debt of both exporting and non-exporting companies. The issue of debt securities was more relevant in exporting companies (17% vs. 4%), although in 2013 21% of export sector liabilities related to trade credit (14% in the other companies) (Chart 6).

Chart 6

Liability structure (2013)

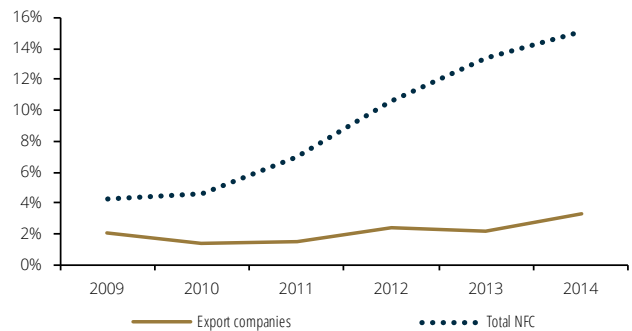


Data for 2014 compiled by Banco de Portugal's Central Credit Register show that credit granted to the export sector by the resident financial sector increased by 0.9% from 2013, comparing positively with the situation of total NFCs (4.9% fall).

The non-performing loans ratio in the export sector was lower than the average for NFCs over the whole period under analysis (Chart 7). In 2014 the non-performing loans ratio stood at 3.3% in the export sector and 15% in total NFCs.

Chart 7

Non-performing loans ratios

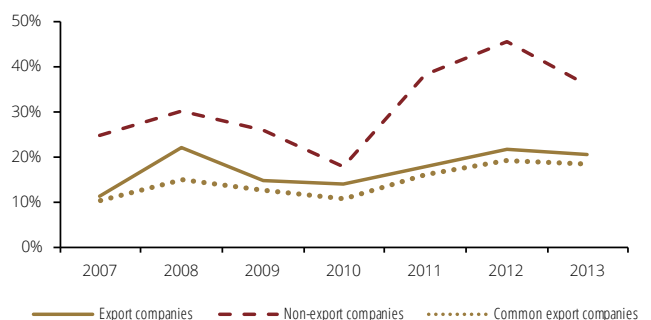


## Financing costs and solvency

Exporting companies experienced lower levels of financial pressure than non-exporting companies (Chart 8).

Chart 8

Weight of interest paid in EBITDA (2007 to 2013)



In 2013 the share of EBITDA consumed by interest expenses in exporting companies was approximately 20%, i.e., 15 p.p. less than that recorded by non-exporting companies.

A comparison of 2013 with the previous year shows that the share of EBITDA consumed by interest declined: 1 p.p. in the exporting segment and 10 p.p. in the non-exporting segment. This resulted from both an increase in EBITDA and a decline in interest expenses. Nevertheless, in 2013 the weight of interest paid in EBITDA was overall higher than that recorded in 2007.

In 2013 around 17% of exporting companies did not generate sufficient EBITDA to cover the interest resulting from financing obtained. However, this share was considerably lower than that recorded by non-exporting companies (38%). For over three quarters of exporting companies (77%), interest consumed less than half of EBITDA. In the non-exporting segment the share of companies in this situation was lower (57%).