

COFACE BALTIC TOP 50 RANKING

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COFACE BALTIC
TOP 50 RANKING

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1 COFACE BALTIC TOP 50: OVERVIEW

In 2017, the Baltic States benefited from a rebound in external demand. All countries recorded a high growth rate of exports, increasing by 17% in Lithuania, 10% in Latvia and 9% in Estonia. This was due to improving demand from Russia last year, which remains an important trading destination for the Baltics, as well as other routes in line with the recovery in global trade. However, the ongoing increase in household consumption and a revival of investments made domestic demand the main driving force of these economies.

The results of the largest companies in the region underline this positive economic development. Overall turnover increased by 9.8% with Lithuanian companies profiting the most (+11.8%), followed by Latvian (+6.8%) and Estonian (+6.0%). The top 50s earned over EUR 38.5 billion in 2017. Net profits likewise developed well, posting a rise of 25.3% for all top 50 companies. Whereas Latvia's largest companies more than doubled profits to EUR 457 million, Estonia's faced a reduction of -17.2% to EUR 332 million. Overall employment only rose slightly by 2.0%.

It is once again Estonian companies that pushed their way to the top. Compared to last year's ranking, Estonia added another four companies to the largest 50, leaving the country with a total of 15 represented. In total, eleven Baltic newcomers joined the ranking in 2017.

Lithuania remains the country with the highest number of top companies in the Baltics (28) and also the one with the highest average Coface Credit Assessment (7.5). This score indicates the probability of default for a single company indicating a very low risk of doing business with the largest companies in the Baltics (average score of 6.7). Estonian players show a medium to low risk with an average score of 5.5, whereas risk remains low in Latvia (6.4).


 **The annual Coface Baltic Top 50 Ranking is based on financial statements available on Infolcon – the largest single database on company information in CEE.**

Table 1:
Coface Baltic Top 50: Country Overview 2017

RANK	COUNTRY	NO. OF LISTED COMPANIES	TURNOVER IN EUR MILLIONS	NET PROFIT IN EUR MILLIONS	EMPLOYMENT	COFACE ASSESSMENT 2017	POPULATION (IN MILLIONS)	GDP PER CAPITA (IN EUR)	GDP GROWTH (IN %)	INFLATION (IN %)	UNEMPLOYMENT RATE (IN %)	LABOR FORCE (IN MILLIONS)
1	Lithuania	28	24,829	1,104	161,026	A3	2.8	14,796	3.8	3.5	7.1	1.4
2	Estonia	15	8,069	332	41,661	A2	1.3	17,461	4.9	3.8	5.8	0.7
3	Latvia	7	5,628	457	18,799	A3	2.0	13,855	4.5	3.0	8.7	1.0

Sources: National Statistical Offices, Eurostat, Coface.

2 ECONOMIC OUTLOOK BALTIC REGION

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Positive developments on the labor market are supporting further growth in private consumption. Growing salaries are additionally being enhanced by increases in the minimum wage. In May 2018, unemployment rates dropped to 7.4% in Latvia, 6.8% in Lithuania and 5% in Estonia. Whereas the situation on the labor market is beneficial for households, a shrinking labor force is a constraint for companies. Employment rates have reached record-high levels, with some relief coming from an inflow of foreign workers. This includes workers from Ukraine as well as from other former Soviet republics, who find the Baltic labor markets more attractive than the previously favoured destination, Russia.

The Baltic States' growth is being contributed to by a sharp rebound in investments – both private and public. The latter is recording even more sizeable increases thanks to an inflow of EU funds from the new EU budget and the forthcoming parliamentary elections, such as those scheduled for October in Latvia. Unsurprisingly, most of this investment rebound is being felt in the construction sector. Moreover, high capacity utilisation and significant labor shortages are encouraging companies to make investments in extending their capacities.

All three countries will record slower growth rates this year compared to 2017. Nevertheless, they are expected to remain solid – the Coface forecast assumes that GDP growth in 2018 will reach 3.7% in Estonia, 3.6% in

 **Being small economies, the Baltics are vulnerable to the whims of external demand which could evolve given the current rise of protectionism. Nevertheless, solid domestic demand will secure a fair level of GDP growth in these countries.**

Latvia and 3.1% in Lithuania. The main contribution will come from domestic demand. At the same time, the Baltics will remain subject to the situation on foreign markets. These small economies are highly open – last year, the exports of goods and services to GDP ratio reached 78% in Estonia, 60.5% in Latvia and 81.3% in Lithuania. As a result, these countries are subject to whims of fluctuations in external demand. The current rise of protectionism poses some risks to global trade.

Among the Baltics' crucial trade partners, the EU countries are likely to still generate solid demand whereas Russia has stabilised after a moderate improvement. Within the group of Nordic countries, Sweden poses increased risks due to a deteriorating real estate market and high household indebtedness. These were factors that triggered a decrease in Sweden's country risk assessment to A2 in March 2018. A downturn in the Swedish construction sector is especially critical, causing consequences for the Estonian wood manufacturing sector.

METHODOLOGY

The Coface Baltic Top 50 ranking is a joint project of 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 2017. The study includes Estonia, Latvia and Lithuania.

The largest companies in each of the above countries (turnover ≥ EUR 300 million) were identified, excluding financial service providers such as banks, insurance companies, leasing firms and brokers. The ranking of the Coface Baltic Top 50 companies is based on revenues and includes other key corporate indicators, such as net profits and the number of employees. Turnover and profit were converted into EUR, using the exchange rate at the end of 2017. The data were taken from our **Coface Infolcon** database 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.

COFACE BALTIC TOP 50

POSITION 2017	CHANGE IN POSITION	POSITION 2016	COUNTRY	COMPANY NAME	MAIN SECTOR	TURNOVER IN EUR MILLIONS 2016	TURNOVER IN EUR MILLIONS 2017	CHANGE IN TURNOVER	NET PROFIT IN EUR MILLIONS 2016	NET PROFIT IN EUR MILLIONS 2017	CHANGE IN NET PROFIT	EMPLOYMENT 2016	EMPLOYMENT 2017	CHANGE IN EMPLOYMENT
1	-	1	LT	ORLEN LIETUVA AB*	Minerals, chemicals, petroleum, plastics & pharma	3,212	4,006	24.7%	219.0	211.5	-3.5%	1,562	1,597	2.2%
2	-	2	LT	VILNIUS PREKYBA UAB*	Others	3,112	3,253	4.5%	94.7	173.2	82.9%	36,052	34,798	-3.5%
3	-	3	LT	MAXIMA GRUPE UAB*	Non-specialized trade	2,693	2,806	4.2%	36.4	74.9	105.9%	30,900	31,000	0.3%
4	-	4	LT	MAXIMA LT UAB	Non-specialized trade	1,503	1,529	1.7%	53.5	54.1	1.1%	16,475	15,536	-5.7%
5	▲	28	LV	ELKO GRUPA AS*	Electronics, information & telecommunications	1,319	1,409	6.8%	7.7	12.2	58.8%	700	900	28.6%
6	-	6	LT	LIETUVOS ENERGIJA UAB*	Utilities & public services	1,071	1,065	-0.6%	118.4	90.7	-23.5%	4,859	4,513	-7.1%
7	▲	18	EE	TALLINK GRUPP AS*	Automotive & transport	938	967	3.1%	44.1	46.5	5.4%	7,163	7,406	3.4%
8	-	8	LT	SANITEX UAB*	Agriculture, meat, agri-food & wines	823	945	14.8%	8.1	8.7	8.0%	3,443	3,757	9.1%
9	▲	17	LV	LATVENERGO AS*	Utilities & public services	932	926	-0.6%	130.6	322.0	146.6%	4,131	3,908	-5.4%
10	▼	9	LV	URALCHEM TRADING SIA	Minerals, chemicals, petroleum, plastics & pharma	778	872	12.0%	9.8	35.7	263.8%	37	44	18.9%
11	▼	7	LV	RIMI LATVIA SIA	Non-specialized trade	831	870	4.8%	32.1	40.8	27.3%	5,786	5,748	-0.7%
12	▼	5	EE	ERICSSON EESTI AS	Electronics, information & telecommunications	1,213	815	-32.8%	7.4	3.8	-47.9%	1,491	1,547	3.8%
13	NEW		EE	NG KAPITAL OU*	Others	743	783	5.4%	27.5	30.7	11.5%	4,821	4,888	1.4%
14	▼	11	LT	KONCERNAS ACHEMOS GRUPE UAB*	Others	660	781	18.3%	36.9	31.0	-15.9%	4,800	4,700	-2.1%
15	▲	48	EE	EESTI ENERGIA AS*	Utilities & public services	742	754	1.6%	171.0	100.8	-41.1%	5,696	5,708	0.2%
16	▼	10	LV	MAXIMA LATVIJA SIA	Non-specialized trade	694	723	4.2%	12.0	23.2	93.9%	7,686	7,424	-3.4%
17	▼	16	LT	ME INVESTICIJA UAB*	Automotive & transport	514	677	31.6%	40.1	85.9	114.4%	8,086	8,086	0.0%
18	NEW		EE	TALLINNA KAUBAMAJA GRUPP AS*	Others	598	651	8.8%	25.7	29.8	16.0%	4,079	4,182	2.5%
19	▼	13	LT	LINAS AGRO GROUP AB*	Agriculture, meat, agri-food & wines	616	645	4.7%	3.9	8.4	114.6%	2,261	2,217	-1.9%
20	▼	12	LT	PALINK UAB*	Non-specialized trade	632	643	1.6%	8.7	10.1	15.9%	7,382	6,916	-6.3%
21	▼	15	LT	KESKO SENUKAI LITHUANIA UAB*	Construction	560	632	12.9%	24.9	9.9	-60.1%	7,377	7,541	2.2%
22	NEW		LT	ENERGIJOS SKIRSTYMO OPERATORIUS AB	Utilities & public services	650	612	-5.8%	92.5	77.6	-16.2%	2,677	2,503	-6.5%
23	▼	14	LT	KONCERNAS MG BALTIC UAB*	Others	581	607	4.5%	45.4	35.3	-22.3%	3,716	3,866	4.0%
24	▼	22	LT	GIRTEKA LOGISTICS UAB	Automotive & transport	433	561	29.7%	6.8	11.6	69.9%	441	484	9.8%
25	NEW		LT	VIADA LT UAB*	Minerals, chemicals, petroleum, plastics & pharma	323	541	67.5%	3.1	4.8	54.4%	974	1,529	57.0%
26	▲	30	LT	ACME GRUPE UAB*	Electronics, information & telecommunications	369	527	43.0%	5.0	7.7	54.8%	538	495	-8.0%
27	NEW		EE	UP INVEST OU*	Others	477	516	8.1%	19.0	18.7	-1.4%	2,900	2,992	3.2%
28	NEW		LT	SPECTATOR UAB*	Others	395	510	29.2%	6.7	16.2	141.0%	760	776	2.1%
29	▼	19	LT	VICIUNU GRUPE UAB*	Agriculture, meat, agri-food & wines	446	481	7.9%	11.1	19.2	72.7%	4,326	4,698	8.6%

* consolidated, ** estimated, ¹ turnover figures 2016 taken as estimate, n.a. not available
EE Estonia, LT Lithuania, LV Latvia.

POSITION 2017	CHANGE IN POSITION	POSITION 2016	COUNTRY	COMPANY NAME	MAIN SECTOR	TURNOVER IN EUR MILLIONS 2016	TURNOVER IN EUR MILLIONS 2017	CHANGE IN TURNOVER	NET PROFIT IN EUR MILLIONS 2016	NET PROFIT IN EUR MILLIONS 2017	CHANGE IN NET PROFIT	EMPLOYMENT 2016	EMPLOYMENT 2017	CHANGE IN EMPLOYMENT
30	▼	21	EE	MAXIMA EESTI OU	Non-specialized trade	445	464	4.3%	-11.7	8.2	n.a.	3,912	3,912	0.0%
31	▲	35	LV	ORLEN LATVIJA SIA	Minerals, chemicals, petroleum, plastics & pharma	356	461	29.5%	1.8	2.3	28.1%	8	9	12.5%
32	▼	24	LT	LIETUVOS GELEZINKELIAI AB*	Automotive & transport	404	448	10.9%	-52.5	27.0	n.a.	9,968	11,532	15.7%
33	▼	23	LT	NORFOS MAŽMENA UAB	Non-specialized trade	410	440	7.3%	8.0	7.4	-7.4%	3,150	3,188	1.2%
34	▼	25	EE	SELVER AS	Non-specialized trade	399	431	8.2%	12.2	13.2	8.7%	2,442	2,533	3.7%
35	▼	32	LT	ACHEMA AB	Minerals, chemicals, petroleum, plastics & pharma	359	423	17.9%	5.3	20.2	284.1%	1,433	1,336	-6.8%
36	▼		EE	MANOIR ENERGY OU	Minerals, chemicals, petroleum, plastics & pharma	101	423	318.8%	0.8	3.9	402.3%	5	6	20.0%
37	▲	40	EE	ENEFIT ENERGIATOOTMINE AS	Utilities & public services	340	415	22.3%	60.1	2.3	-96.2%	934	916	-1.9%
38	▼	37	LT	NEO GROUP UAB	Minerals, chemicals, petroleum, plastics & pharma	350	406	16.1%	15.1	14.5	-3.8%	169	179	5.9%
39	▼	27	LT	RIVONA UAB	Agriculture, meat, agri-food & wines	384	404	5.3%	1.5	2.8	88.6%	1,005	1,018	1.3%
40	▼	34	LT	CIRCLE K LIETUVA UAB	Minerals, chemicals, petroleum, plastics & pharma	356	403	13.2%	19.8	19.0	-4.3%	612	624	2.0%
41	NEW		EE	BLRT GRUPP AS*	Others	340	400	17.6%	9.6	18.5	91.3%	n.a.	3,630	n.a.
42	NEW		LT	SBA BALDŲ KOMPANIJA UAB	Textiles, leather & clothing	351	397	12.9%	11.2	5.9	-47.8%	59	70	18.6%
43	▼	26	EE	RIMI EESTI FOOD AS	Non-specialized trade	389	378	-2.9%	3.7	1.3	-64.0%	2,202	2,200	-0.1%
44	▼	49	EE	ORLEN EESTI OU	Minerals, chemicals, petroleum, plastics & pharma	287	371	29.3%	1.3	1.8	39.3%	13	14	7.7%
45	▼	38	LT	TELIA LIETUVA AB*	Electronics, information & telecommunications	346	370	7.0%	41.5	51.8	24.8%	2,819	2,733	-3.1%
46	▼	33	LV	CIRCLE K LATVIA SIA	Minerals, chemicals, petroleum, plastics & pharma	358	368	2.8%	21.0	21.0	0.0%	763	766	0.4%
47	▼	36	LT	EUROAPOTHECA UAB*	Minerals, chemicals, petroleum, plastics & pharma	353	367	4.0%	21.0	19.1	-8.9%	2,948	3,037	3.0%
48	NEW		EE	RIVERITO AS*	Others	289	353	22.2%	27.3	40.7	49.1%	825	785	-4.8%
49	NEW		LT	AVIA SOLUTIONS GROUP AB*	Others	306	349	13.9%	8.1	5.0	-38.3%	1,954	2,297	17.6%
50	▼	46	EE	COOP EESTI KESKUHISTU*	Agriculture, meat, agri-food & wines	314	347	10.5%	2.4	11.2	357.3%	889	942	6.0%

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