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## **Analysis of Slovenian companies' performance in 2016, by activity**

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### **Summary**

This working paper analyses business results of Slovenian commercial companies using AJPES statistical data from companies' balance sheets and profit and loss statements. The analysis covers the period 2008–2016 (following the revision of NACE in 2008), focusing mainly on changes in company performance in 2016. Value added of commercial companies increased significantly in 2016 and accounted for around 56% of total value added created in the Slovenian economy (according to the first estimates by SURS). After a significant deterioration during the crisis, in 2016 company performance improved considerably for the third year in a row. The negative trends from the beginning of the crisis were reflected through huge financial loss and deterioration in operating profit. Both components improved further in 2016, resulting in total net profit of EUR 3,187 million, which is close to the record level of 2007. Net operating profit was the highest thus far while financial loss declined to the lowest level in nine years. On the revenue side, export revenues from sales to EU countries increased further, with revenues from the domestic market stagnating in the last few years. The cost pressures also eased significantly. Write-offs of value have dropped substantially owing to the lower needs for the revaluation of assets, as have, with favourable conditions on raw material markets, some material and energy costs. Although labour costs are rising again, their share in value added continues to contract. The high financial expenses have declined since 2010. At first particularly expenses attributable to bank loans diminished strongly, as a sign of intensive corporate deleveraging, while in 2015 and 2016 there was also a large decline in the impairment of financial investments. In 2016 the indebtedness of commercial companies (the ratio of debt to total liabilities) dropped further, to 53 %, the level seen at the beginning of the previous decade.