

# **European non-financial listed groups: Analysis of 2024 data**

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ERICA (European Records of IFRS Consolidated Accounts) WG  
European Committee of Central Balance Sheet Data Offices (ECCBSO)

February 2026

# EUROPEAN NON-FINANCIAL LISTED GROUPS: ANALYSIS OF 2024 DATA

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### IMPORTANT INFORMATION ABOUT THE SOURCE USED (ERICA<sup>1</sup> DATABASE) AND ABOUT THE FIGURES BY COUNTRY

The data used in this study are obtained from publicly available financial statements of listed European non-financial groups, having been treated manually by CBSO statisticians and accounting specialists to fit a standard European format (ERICA format). This manual treatment involves, in some cases, interpretation of the original data, a constraint that readers of this document should bear in mind.

The database does not represent the total population of European non-financial groups. Nevertheless, the coverage of listed European groups attained with ERICA<sup>2</sup> (in the whole dataset of approximately 1,000 groups) is well-attuned to the situation and national composition of the stock markets. The analysis performed in this document, with the proviso expressed in the previous paragraph, provides a view of the position and performance of the listed non-financial European groups. However, it also includes some comments on the performance of listed European groups depending on the country where the parent company is based. As the largest ERICA groups are multinationals, it should be borne in mind that the performance of the groups from any given country does not necessarily reflect the performance of the country itself.

The opinions of the authors of this document do not necessarily reflect those of the national central banks to which they belong or those of the ECCBSO.

All the charts and tables presented in the document are from the same source (ECCBSO-ERICA database).

<sup>1</sup> ERICA (European Records of IFRS Consolidated Accounts) is a database of the European Committee of Central Balance Sheet Data Offices (ECCBSO).

<sup>2</sup> Austria, Belgium, France, Germany, Greece, Italy, Portugal and Spain contributed to the dataset for 2024.

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## **I. EUROPEAN NON-FINANCIAL LISTED GROUPS: INTRODUCTION AND MAIN FINDINGS FROM 2024 DATA**

The ERICA Working Group (WG) is a technical body composed of experts from European central banks and national balance sheet offices, operating under the aegis of the European Committee of Central Balance Sheet Data Offices (ECCBSO). Its primary mission is to analyse how International Financial Reporting Standards (IFRS) affect the accounting, reporting practices and statistical usability of the consolidated financial statements of European non-financial corporations. This includes assessing the implications of new and upcoming IFRS standards and exposure drafts, evaluating their impact on central balance sheet offices' questionnaires and databases, and ensuring harmonised interpretation across countries.

The ERICA WG was established in 2008 to assess the potential opportunities and risks associated with the adoption of IFRS by European companies and groups. Over time, its activities have significantly expanded. The group has since developed IFRS-compliant standard formats (using the IFRS Taxonomy defined by the IASB-XBRL Team) and created the ERICA (European Records of IFRS Consolidated Accounts) database, now one of the largest harmonised repositories of IFRS consolidated accounts for listed non-financial corporations in Europe. The ERICA database is a repository of annual IFRS consolidated financial statements for non-financial corporations listed on European stock exchanges. The data are collected from publicly available financial statements and are manually treated by CBSO statistics and accounting specialists to fit a standard European format (ERICA format). This standardisation process enhances international comparability and ensures that the database can be reliably used for structural, cyclical and risk-monitoring analyses conducted by central banks. As of the latest updates, the database covers hundreds of corporate groups and provides highly representative coverage across major European economies. The data are then used by central banks to monitor the financial health of non-financial corporations and groups in Europe.<sup>3</sup>

Beyond its traditional focus on IFRS impacts, the ERICA WG has expanded into new strategic domains. Recent work has addressed regulatory developments such as the EU's CSRD, ESRS implementation and the evolution of XBRL taxonomies at the European level. The group is also exploring enhanced microdata sharing mechanisms and stronger cooperation frameworks, including temporary agreements enabling the sharing of ERICA microdata with specific task forces such as TF JECED.<sup>4</sup> These initiatives aim to promote wider and more efficient use of the ERICA dataset across the European System of Central Banks (ESCB) and encourage future integration with sustainability-related disclosures and analytical products.

Overall, central banks rely on the ERICA database not only to monitor the financial health and performance of European non-financial corporations, but increasingly also to support policy analysis, risk assessments and cross-country comparisons within the ESCB. The WG's ongoing work ensures that the database evolves in parallel with regulatory developments, new IFRS standards and emerging data needs, ensuring it remains a cornerstone of corporate financial statistics in Europe.

This document presents the results of the analysis carried out by members of the ECCBSO's ERICA WG of the information available in the ERICA 2024 database (listed non-financial groups,<sup>5</sup> with a total of approximately €7,600 billion in assets and €5,100 billion in revenue), and the most relevant facts for

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<sup>3</sup> The ERICA WG's work has been influential in shaping the implementation of IFRS in Europe. The group's recommendations have been taken into account by European regulators and standard setters, and the ERICA database is used by central banks across the continent.

<sup>4</sup> <https://www.cmfb.org/work-programme>.

<sup>5</sup> The final version of the 2024 ERICA database comprises a higher number of listed non-financial groups. However, at the start of the analysis process in November 2025, 2024 data collection had been completed for 774 groups.

2024 regarding the profitability and financial structure of European non-financial listed groups, as well as the financial debt structure and cost of debt.

This report uses three different samples:<sup>6</sup>

- A static sample: This sample includes all groups for which data are collected in ERICA for 2024. The static sample consists of 774 groups;
- A sliding sample: This sample is obtained by selecting all groups for which data are collected in ERICA for both 2023 and 2024. The sliding sample encompasses 737 groups. Groups that underwent a change in sector or size are excluded from the sliding sample;
- A fixed sample: This sample only takes into account those groups for which data are collected in ERICA for each year over the 2020-2024 period. The fixed sample captures 604 groups.

Each sample is compiled by country and by sector, depending on the type of analysis. In samples by country, all country doubles (i.e. subsidiary groups of a higher-level group allocated to the same country) have been removed. In samples by sector, all sector doubles (i.e. subsidiary groups of a higher-level group allocated to the same sector) have been removed. Moreover, the static and sliding samples, which are made up of size classes, are adjusted by eliminating global doubles (i.e. subsidiary groups of a higher-level group that is also included in the sample).<sup>7</sup> For all the findings stemming from the total data, the same conditions (i.e. elimination of global doubles) apply. Therefore, the total data generally differ – in aggregates or numbers – from the sum of their components (i.e. countries, sectors or sizes).

Considering the major impact of some large groups, weighted average figures by country or sector are often biased. For that reason, the analysis in this document mainly focuses on the median values of ratios. These median values represent more accurately the behaviour of the majority of the population, unaffected by the weight of the largest groups. Nevertheless, in-depth analysis reveals that median figures may also be strongly influenced by a single group or just a few groups. In these cases, it is not the largest, but the median groups that determine changes in the median ratios.

The main findings of the study using 2024 data are:

## **1 Macroeconomic conditions weighed on energy and industry, while services and construction remained resilient.**

In 2024, economic developments were weighed down by weak demand, persistent geopolitical tensions and continued high interest rates and inflation. These conditions had a particularly dampening effect on the energy and industrial sectors. By contrast, the construction sector and, in particular, the services sector proved comparatively resilient and recorded an improvement in earnings. At the aggregate level, results across the companies in the ERICA sample remained broadly stable overall. At the same time, median profit before tax increased by 6.3%, largely reflecting the positive earnings performance of the services sector. Overall profitability in the total sample, measured by the median EBIT margin (EBIT/revenue), rose slightly to 7.5% (+0.2 percentage points (pp)). Declines in the energy and industrial sectors (-1.5 pp and -0.5 pp, respectively) were more than offset by increases in the services and construction sectors (+0.7 pp and +1.3 pp).

The downturn in the energy sector, which is dominated by large groups, was mainly driven by falling energy prices following an exceptional 2022-23 period, but also by lower demand. Fossil fuel generators

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<sup>6</sup> Figures refer to the global samples.

<sup>7</sup> All country doubles and sector doubles are by definition global doubles.

were hit particularly hard by low wholesale prices and reduced price volatility. By contrast, providers focused on grid operations or with larger shares of renewable energy were able to obtain cost advantages and stable revenues from regulated network tariffs. The industry sector saw a clear deterioration, mainly attributable to the vehicle manufacturing sub-sector, which remained under pressure from weak end-market demand, the transition to electromobility and competition from technologically advanced Chinese manufacturers. The metals sector, including automotive-related applications, also suffered from weak demand and low prices. The strong performance in the services sector was largely driven by the sub-sectors of telecommunications, IT services and other service activities. The real estate sector also returned to profitability. The construction sector proved resilient despite difficult conditions, supported by infrastructure projects and efficiency gains, recording a sound increase in profitability.

An analysis by group size showed minor changes compared to the previous year. Medium-sized firms benefited from the services sector's robust performance.

Looking at pre-tax profit relative to equity, the median return-on-equity (ROE) ratio declined across all sectors and group sizes, from 12.2% to 11.1%. This reduction was attributable to the weaker profit performance, while the equity ratio remained quite stable overall.

## **2 The median equity ratio edged up, while the median net indebtedness ratio remained unchanged.**

The financial position of the groups in the sample changed only slightly, as evidenced by the limited shifts in equity and net indebtedness ratios across sectors and size classes. Overall, total equity grew by 3.3%, mainly driven by higher retained earnings and positive effects from other reserves, particularly from currency translation and fair value adjustments. While industry, energy and construction groups recorded stronger aggregate equity growth than the total sample, services groups saw a smaller increase of 2.5%, dampened by reductions in non-controlling interests and share premium accounts. By size, large groups' equity rose by 3.5%, reflecting the overall trend, whereas medium-sized and small groups posted subdued increases of 1.3% and 0.7%, respectively, as dividend payments and capital reductions offset positive earnings.

The median equity ratio increased slightly, by 0.4 pp to 40.0%, with median total assets up by 8.1% and equity by 7.2%. Industrial groups maintained the highest median equity ratio at 44.2%, with a year-on-year gain of 0.7 pp, followed by services and energy groups (38.3% and 31.7%, respectively). Construction groups continued to show the lowest ratio (27.5%). By size class, small groups again posted the highest median equity ratio at 45.8%, with medium-sized and large groups stable at 41.4% and 35.3%, respectively. At the country level, most median equity ratios converged towards the median of the total sample. Belgian groups recorded the highest median equity ratio (47.2%), while Portuguese groups had the lowest (33.3%).

Overall, the median net indebtedness ratio remained constant at 18.5% in 2024, with the distribution of its components largely unchanged. Construction and energy groups saw moderate increases in their median ratios of 4.6 pp and 3.2 pp, respectively. By size, small, medium-sized and large groups posted only slight increases in their median net indebtedness ratios, with no significant trends in underlying balance sheet positions. At the country level, Spanish groups recorded the strongest growth in the median ratio, while Portuguese groups saw the sharpest decline. The analysis by branch of activity shows a mixed picture, with the median ratio rising in seven branches – mainly in the services, construction and energy sectors – and falling in seven others.

### **3 The cost of debt continued to rise, but at a slower pace**

In 2024, the cost of debt for European non-financial listed groups continued to grow, but at a slower pace.

Despite the overall increase, non-financial listed groups in Greece experienced a small decrease in their median cost of debt, but still have the highest level. Meanwhile, French groups accounted for the largest growth, yet continued to show the lowest median cost of debt. By group size, all classes saw the median cost of debt increase, with small groups posting the largest rise and the highest median cost of debt. By sector of activity, groups from the construction and the wholesale sectors recorded a decrease, while groups from all other sectors saw their median cost of debt increase. Groups from the real estate sector experienced the most pronounced surge, leaving transportation and storage groups with the lowest median cost of debt. The groups with the highest median cost of debt are now those in the vehicle manufacturing sector, having overtaken construction groups.

Looking at the structure of financial debt, leases became the most common source of financing, closely followed by loans from financial institutions. However, in terms of amounts, bank loans clearly outpaced leases and bonds surpassed bank loans. Bonds accounted for half of financial debt, compared with 23% for loans from financial institutions. By country, bonds represented 76% of the financial debt of Belgian groups, compared with just 25% for Italian groups, whose financing relies more heavily on bank loans, which comprised 51% of their financial debt. By group size, bank loans accounted for 56% of the financial debt of small groups, but their appeal diminishes with group size, representing just 21% of the financial debt of large groups, where bonds predominate (52%). Finally, by sector of activity, groups in the food products sector again recorded the largest share of bonds in their financial debt (85%), while loans from financial institutions play a particularly significant role for transportation and storage groups (45%) and retail trade groups rely heavily on leases (42%).

## II. ERICA DATABASE: COVERAGE AND MAIN FIGURES

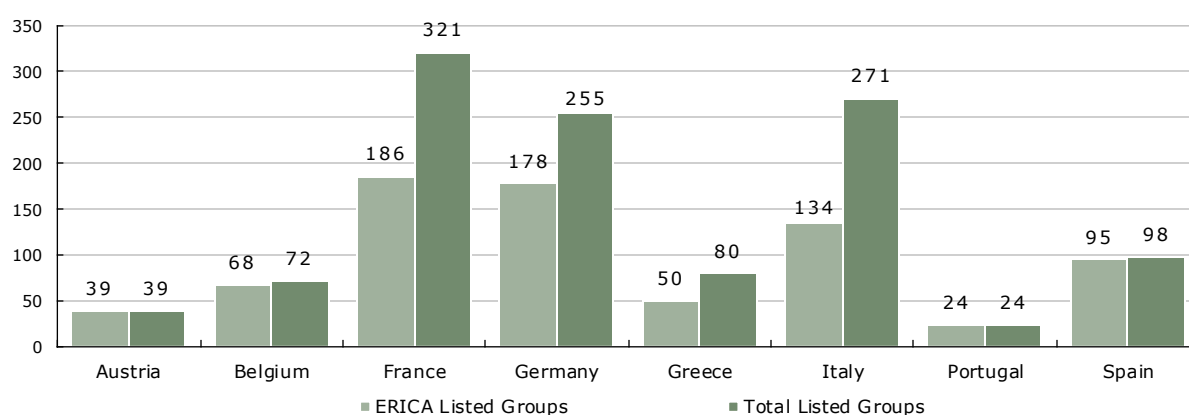
The 2024 ERICA database comprises 774<sup>8</sup> groups. 2024 was marked by a moderation in inflation rates (especially in the second half of the year), going from an annual inflation rate of 2.9% in 2023 to 2.4% in 2024. As a result, the ECB's monetary policy shifted towards reducing interest rates, with cuts in June, September and December.

As Chart 1 shows, in absolute terms, in 2024 the coverage of the ERICA database ranged from 24 real cases in Portugal to 186 in France.

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**CHART 1 LISTED GROUPS BY COUNTRY IN 2024 (absolute number)**

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Source: ERICA 2024 and national databases.

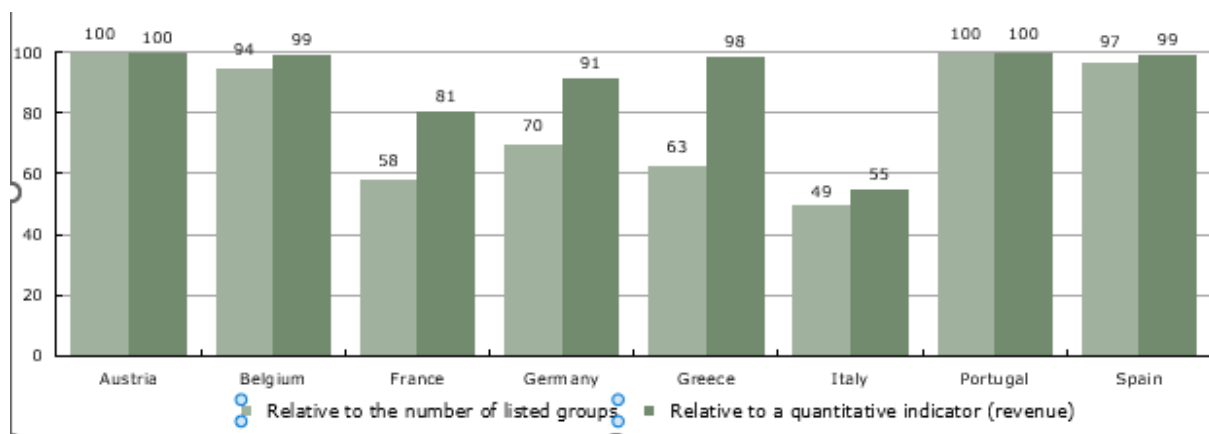
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<sup>8</sup> Double country identification relative to the total number of ERICA listed groups by country, particularly in Italy (1), Germany (5), Belgium (2), Portugal (2) and Spain (3).

As Chart 2 illustrates, in terms of a quantitative indicator (revenue), the ERICA database provides highly representative coverage of the total population of listed European non-financial groups: coverage is high for almost all countries, ranging from 55% in Italy to 100% in Austria and Portugal.

In relative terms, by number of listed groups, coverage of the ERICA database relative to the total population of listed groups ranges from 49% in Italy to 100% in Austria and Portugal.

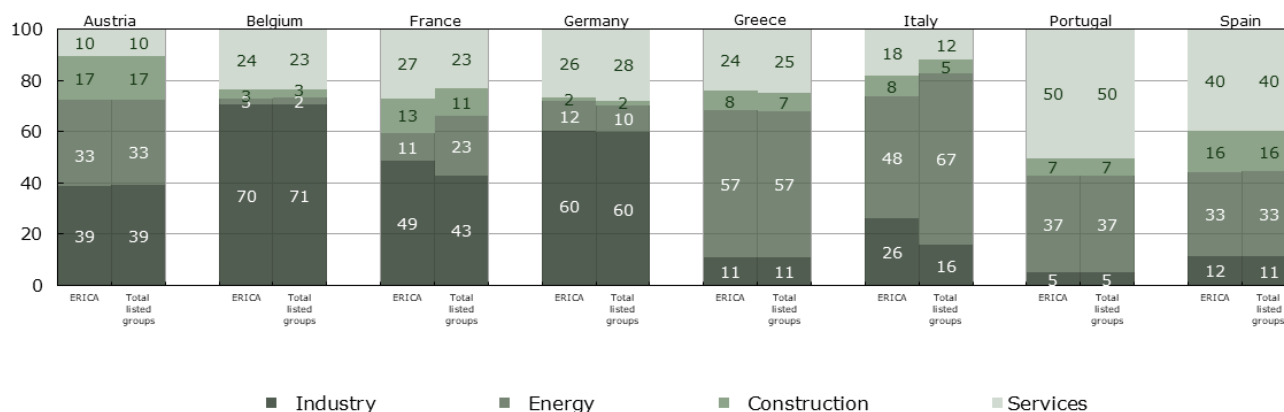
**CHART 2 DATABASE COVERAGE IN 2024 (%)**



Source: ERICA 2024 and national databases.

Regarding the sectoral breakdown in Chart 3, listed European groups differ greatly from country to country. Both the sample and the population are mostly aligned in every country. Industry is especially important in Belgium and Germany while energy, which is important in almost all the country members, has a high weight mainly in Greece and Italy. The construction sector has the largest share in Austria and Spain. Lastly, the services sector is important in almost all countries, but is especially significant in Portuguese and Spanish ERICA listed groups.

**CHART 3 STRUCTURE BY COUNTRY AND SECTOR IN 2024 (% of revenue)**



Source: ERICA 2024 and national databases

### III. PROFITABILITY: IMPACT OF MACROECONOMIC CONDITIONS

Profitability figures, along with the coverage, financial structure and cost of debt analysis set out in this document, are based on financial data for 2024, available in the ERICA database for non-financial European groups listed on a European stock exchange. Three different samples are used, as explained in the introduction. Within or between countries and sectors, separate group entities (such as parent companies and subsidiaries) may feature independently. The way in which samples are composed differs, depending on the purpose of the analysis.

**TABLE 1 ERICA: OVERVIEW OF AGGREGATE PROFITABILITY VARIABLES IN 2024**

| €bn                                       | Number     | Equity          | EBIT          | P/(L) before tax | Revenue         |
|-------------------------------------------|------------|-----------------|---------------|------------------|-----------------|
| <b>By country.....</b>                    |            |                 |               |                  |                 |
| Austria                                   | 39         | 86.16           | 11.45         | 10.85            | 136.84          |
| Belgium                                   | 68         | 157.69          | 22.63         | 16.67            | 177.64          |
| France                                    | 186        | 780.07          | 134.82        | 106.28           | 1,255.90        |
| Germany                                   | 178        | 1,088.50        | 149.06        | 139.02           | 1,985.64        |
| Greece                                    | 50         | 30.19           | 6.13          | 4.86             | 69.70           |
| Italy                                     | 134        | 135.22          | 20.42         | 19.26            | 229.81          |
| Portugal                                  | 24         | 37.27           | 7.97          | 6.47             | 95.87           |
| Spain                                     | 95         | 283.64          | 51.33         | 40.77            | 464.50          |
| <b>Total.....</b>                         | <b>774</b> | <b>2,598.74</b> | <b>403.81</b> | <b>344.19</b>    | <b>4,415.90</b> |
| <b>By sector.....</b>                     |            |                 |               |                  |                 |
| Industry .....                            | 343        | 1,395.97        | 186.46        | 160.24           | 2,107.80        |
| Energy.....                               | 49         | 447.59          | 80.32         | 71.35            | 758.06          |
| Construction.....                         | 50         | 100.18          | 25.02         | 20.58            | 303.68          |
| Services.....                             | 331        | 654.16          | 110.75        | 91.06            | 1,207.67        |
| <b>Total.....</b>                         | <b>773</b> | <b>2,597.90</b> | <b>402.55</b> | <b>343.23</b>    | <b>4,377.22</b> |
| <b>By size (revenue).....</b>             |            |                 |               |                  |                 |
| Small groups (<€250 m).....               | 232        | 32.60           | 1.97          | 1.39             | 91.64           |
| Medium-sized groups (€250 m-€1.5 bn)..... | 266        | 173.71          | 20.20         | 15.52            | 222.43          |
| Large groups (>€1.5 bn).....              | 273        | 2,389.05        | 380.32        | 326.26           | 4,028.34        |
| <b>Total.....</b>                         | <b>771</b> | <b>2,595.36</b> | <b>402.49</b> | <b>343.18</b>    | <b>4,342.42</b> |

Source: ERICA 2024 static sample.

Note: The number of firms by country and by sector or by size differs: some double-counted groups belong to different countries but are in the same sector. Main figures for 2024 (filter used to avoid double-counting in each sector, size and country counting), with data in € billion.

Chapter II shows how highly representative the ERICA database is for non-financial listed groups. Table 1 provides a breakdown of the 2024 static sample by country, sector and size. It reveals the high proportion of French and German groups in ERICA, as they account for 73% of revenues. Regarding size, although the ERICA sample is balanced in terms of number of groups, it is however dominated by the large groups, with a share of more than 90% in the analysed financial variables. Considering the groups' main business activity, those in the industry sector account for 48% in terms of revenues, followed by the services sector (28%). Construction is the smallest sector in all variables.

### III.1 EBIT AND PROFIT BEFORE TAX: SERVICES DROVE GROWTH AMID INDUSTRIAL AND ENERGY PRESSURES

In 2024, economic growth was shaped by challenging conditions, driven by persistent geopolitical tensions and weak demand resulting from structural shifts in competitiveness and deteriorating market conditions. In addition, the effects of a restrictive monetary policy, persistently high interest rates and the lingering impact of elevated inflation on real income and investment activity weighed on the economy. These headwinds particularly affected the energy and industrial sectors, both of which recorded notable declines over the year. By contrast, the construction sector and, in particular, the services sector proved comparatively resilient and achieved a marked improvement in profitability. Overall results across the ERICA corporate sample remained broadly stable at the aggregate level. At the same time, median profit before tax increased by 6.3%, driven primarily by the strong earnings performance of the services sector.

Note:

- The difference between aggregate and median rates of change reflects the weight of large companies. While the median is generally less affected by outliers, it can still be influenced by extreme values in small samples.
- Country-level differences are partly driven by the composition of the samples (see Chart 3) and partly by structural country-specific factors.

**TABLE 2 RATE OF CHANGE IN 2023-2024**

|                            | <i>EBIT</i> | <i>Median EBIT</i> | <i>P/(L) bef. Tax</i> | <i>Median P/(L) before tax</i> | <i>Revenue</i> | <i>Median Revenue</i> |
|----------------------------|-------------|--------------------|-----------------------|--------------------------------|----------------|-----------------------|
| <b>By country</b>          |             |                    |                       |                                |                |                       |
| Austria                    | -11.8%      | 39.8%              | -12.3%                | -34.2%                         | -6.2%          | 6.2%                  |
| Belgium                    | 7.0%        | -17.3%             | 3.7%                  | -5.7%                          | 1.2%           | -5.9%                 |
| France                     | 8.6%        | 11.2%              | -1.1%                 | -2.9%                          | -0.6%          | -6.9%                 |
| Germany                    | -2.4%       | -27.9%             | 0.4%                  | -4.4%                          | -3.5%          | 3.8%                  |
| Greece                     | -10.7%      | -17.0%             | -19.6%                | -17.7%                         | 3.4%           | 5.3%                  |
| Italy                      | -7.9%       | 8.7%               | -11.7%                | 2.2%                           | 0.4%           | -3.7%                 |
| Portugal                   | -5.3%       | 55.1%              | -13.4%                | 52.3%                          | 5.1%           | 10.6%                 |
| Spain                      | 2.5%        | -14.6%             | 5.0%                  | -23.6%                         | 1.0%           | 3.3%                  |
| <b>Total</b>               | <b>1.3%</b> | <b>-4.6%</b>       | <b>-1.3%</b>          | <b>4.6%</b>                    | <b>-1.7%</b>   | <b>1.3%</b>           |
| <b>By sector</b>           |             |                    |                       |                                |                |                       |
| 1. Industry                | -4.1%       | -9.6%              | -12.0%                | -20.0%                         | -0.6%          | 2.9%                  |
| 2. Energy                  | -5.2%       | -20.6%             | -6.9%                 | -14.6%                         | -12.7%         | -7.3%                 |
| 3. Construction            | 8.3%        | 24.2%              | 5.2%                  | 6.0%                           | 6.9%           | 17.5%                 |
| 4. Services                | 17.2%       | 27.6%              | 32.5%                 | 57.6%                          | 3.0%           | 4.6%                  |
| <b>Total</b>               | <b>1.4%</b> | <b>-0.6%</b>       | <b>-1.1%</b>          | <b>6.3%</b>                    | <b>-1.6%</b>   | <b>1.0%</b>           |
| <b>By size (revenue)</b>   |             |                    |                       |                                |                |                       |
| 1. Small groups (<€250 m)  | 300.0%      | -7.0%              | 3,125.0%              | -20.0%                         | 0.0%           | -5.8%                 |
| 2. Medium (€250 m-€1.5 bn) | 42.1%       | -0.7%              | 51.6%                 | 2.9%                           | 1.4%           | -0.1%                 |
| 3. Large groups (>€1.5 bn) | -0.6%       | -1.8%              | -3.3%                 | -7.8%                          | -2.0%          | 4.4%                  |
| <b>Total</b>               | <b>1.2%</b> | <b>-6.8%</b>       | <b>-1.4%</b>          | <b>1.4%</b>                    | <b>-1.9%</b>   | <b>3.3%</b>           |

Source: ERICA 2024 sliding sample.

Note: The number of firms is the same for each year analysed, 710 for size, 733 for sector and 737 for country analysis. For sector and size analysis the number of firms considered is netted by the firms that have changed size or sector.

Note: The median rates of change for the selected variables in this table do not necessarily relate to the changes in the median profitability ratios calculated, which are presented in chapter III.2.

In 2024, the energy sector, dominated by large corporations, saw a notable downturn on both an aggregate and median basis, with revenue declining by 13% and 7%, EBIT by 5% and 21%, and profit by 13% and 7%, respectively. With the exception of Belgium and Germany, all other countries experienced a significant decline compared with the previous year.

This deterioration was mainly driven by the normalisation of energy prices following the 2022/23 peak, which led to lower revenues and margins, as well as weaker industrial demand, caused by milder weather, increased use of renewable energy and declining consumption volumes. In addition, fossil fuel generators faced margin pressure, as lower wholesale prices and limited price volatility reduced their high-margin trading and generation revenues. By contrast, providers with a focus on grid operations or with larger shares of renewable energy were able to obtain cost advantages and stable revenues from regulated network tariffs. Accordingly, the German and Belgian energy sectors were able to achieve a sound increase of around 30% in aggregate EBIT and profits, in contrast to the overall negative trend. This improvement was primarily driven by a stronger operational performance, in particular higher earnings from renewable generation and regulated network revenues, improved results from power trading and lower procurement and system service costs. However, the energy sector's share in Belgium is comparatively small, which significantly limits its positive effect on the Belgian national sample. The German sector sample was highly concentrated and dominated by a few large companies, which additionally benefitted from a more favourable performance of hedging strategies in 2024, following substantial losses in the previous year.

While revenue in the largest industry sector showed only slight changes, both aggregate and median EBIT declined significantly (-4% and -10%, respectively), with profits falling even more sharply (-12% and -20%, respectively). In particular, the vehicle manufacturing and the metals, electronics and electrical equipment sub-sectors showed pronounced declines in aggregate values.

The downturn in the automotive industry was particularly pronounced in Germany. Given the size and importance of this sub-sector for Germany (around 55% of industry revenues in the sample) and for the total industry sector in the ERICA sample (around one-third of total industry revenue), it dragged down not only the overall performance of the country sample but also the total industry sector. The vehicle market stagnated in 2024, with new registrations of electric vehicles declining sharply following the discontinuation of government subsidies. The sector remained under pressure from weak end-market demand, the transition to electromobility and competition from technologically advanced Chinese manufacturers. Profitability was further strained by lower sales volumes, reduced capacity utilisation, price pressure, high transformation costs related to electrification, digitalisation and new vehicle platforms, as well as rising wages and persistent cost pressures. The Spanish and Austrian automotive sector also experienced significant declines in EBIT and profits, although the impact on the country samples was smaller. In the Spanish sample, two large corporations reported substantial drops in EBIT and profits. In addition to a weaker automotive production environment, high financing expenses, negative exchange rate effects and extraordinary additional costs added to this negative performance. The Austrian vehicle manufacturing sub-sector reported negative EBIT and profit figures, largely attributable to the restructuring of a major motorcycle and sports car manufacturer. In contrast to this negative trend, the Italian vehicle manufacturing sector recorded strong growth, partially driven by the solid performance of the shipbuilding sector. In France, despite significantly lower profits, the operating result was positive overall, largely influenced by the strong performance of two major aerospace companies. The French aerospace industry, a key and strategic sector of the French economy, even exceeded its pre-COVID-19 level in 2024, reflecting a strong recovery amid sustained high demand.

The metal products sub-sector also recorded significant declines, with pronounced impacts in Austria, Belgium and Germany. This sub-sector was influenced by declining end markets, lower selling prices and reduced capacity utilisation weighing on profitability. In Germany, demand was particularly weak for products used in the automotive industry – including electric vehicles – as well as for renewable energy applications. By contrast, in the French sample, EBIT improved owing to the buoyancy of the electrical components and equipment industry. Several large French companies benefitted from continuous demand throughout the year, particularly for high value-added solutions such as infrastructure equipment, high-voltage systems and advanced technologies supporting the accelerating energy transition, as well as the automation and electrification of processes and end uses.

Chemicals, the second-largest industrial sub-sector, posted moderate increases in aggregate EBIT and profits despite slightly lower revenues. Two French groups, most notably the world's largest cosmetics and beauty company and a leading manufacturer of construction materials, glass, insulation and technical materials, underpinned EBIT growth. Profits were primarily driven by the German chemicals sector. Although this sector experienced declines in revenue and EBIT due to weak demand, low order intake and underutilised capacity – compounded by high energy prices, supply chain challenges and regulatory requirements – profits doubled, supported by a significantly higher contribution from a major group's investment results. By contrast, the Belgian and Spanish chemicals sectors recorded high double-digit growth in EBIT and profits. Pharmaceutical companies in particular benefitted from favourable industry trends, a stronger product mix and, in some cases, lower plasma costs. Increases in revenue, EBIT and profits were also observed in the machinery and equipment, other manufacturing and food products sub-sectors, although their positive impact on the overall industrial sector remained limited due to their relatively small size. Of particular note is the strong performance of the Belgian industrial sector, which, with an 80% share in revenue (see Chart 3), significantly shapes the national sample. A particularly strong effect came from the world's largest brewery in the food sector, owing to disciplined revenue management, premiumisation, investment in brands, lower cost of sales and a significant one-off gain from the sale of an associate.

Despite only slight revenue growth, the services sector – the second largest – recorded substantial increases in EBIT in aggregate and median terms (17% and 28%, respectively), and even stronger growth in profits (33% and 58%, respectively), well ahead of the other sectors. In particular, the information and communication sub-sector in Germany and France achieved double-digit EBIT and profit growth despite only modest changes in revenue. The other services sub-sector also recorded low double-digit growth in revenue, EBIT and profits, mainly driven by a strong performance in France, with a 50% share in this sub-sector's revenue. However, growth was also observed in many other countries. Also, the relatively small real estate sector returned to positive profitability in 2024, following significantly negative EBIT and profit in the previous year. In particular, changes in the fair value of investment properties in Germany and Austria contributed to this positive performance. The retail trade sub-sector recorded revenue and EBIT growth, although profits declined slightly, mainly reflecting developments in France, which accounts for 40% of the sub-sector. In Portugal, profits fell despite strong revenue growth, driven by a major food retailer and a media group, while retail in Germany and Spain grew across all profitability metrics. Despite moderate revenue growth in the transportation and storage sub-sector, EBIT remained largely unchanged and profits even declined. Airlines in Germany, France and Greece did benefit from capacity expansions and increased passenger traffic; however, higher operating costs and strikes put pressure on profitability. The wholesale sub-sector performed markedly negatively, with EBIT declining by one-fifth and profits falling by one-third, despite only slightly lower revenues. This primarily reflects developments in Germany and France, where some groups reported weaker demand,

margin pressure and supply chain issues. Spain, on the other hand, recorded moderate growth in both revenue and profits. Following the analysis by country, Greece remained an exception, showing only modest changes in profitability despite the overall strong positive trend in the services sector. While a large gambling group performed particularly well, the profitability of several medium-sized and large groups was weighed down, primarily by increased costs, impairments and negative foreign exchange effects.

Despite generally unfavourable macroeconomic conditions – such as inflation, persistently high interest rates and an economic slowdown – the construction sector, the smallest in the ERICA sample, improved its profitability both at the median and aggregate levels. In particular, median revenue and EBIT (+18 % and +24%, respectively) were significantly higher than in the previous year and compared with other sectors, while profits increased at a more moderate pace. Developments within the sector were, however, heterogeneous. While residential construction was constrained by limited access to financing, the infrastructure and commercial real estate segments remained largely stable. In most country samples, the construction sector made a positive contribution, primarily driven by higher order intake from infrastructure projects, successful price adjustments, efficiency gains, and the divestment of unprofitable or non-core business divisions. In Spain, profits were slightly lower despite moderate increases in revenue and EBIT. In Greece, however, the trend was mostly the opposite, with aggregate EBIT and profits declining by more than one-third, despite moderate revenue growth. This was largely influenced by a major integrated infrastructure and energy conglomerate, which operates not only in construction but also in concessions and electricity generation/supply. While the construction segment showed a slight decline, the drop in the energy segment had a much stronger negative impact on EBIT and profits. The positive performance of the concessions segment, supported by the operation of the largest closed toll motorway in the Attica region, was able to partially offset this.

An analysis by group size showed that large corporations, according to median values, experienced only slight declines in EBIT of around 2% despite moderately higher revenues, while profits fell more sharply, by approximately 8%. Small corporations performed significantly worse, with revenue and EBIT declining by roughly 6%-7% and profits dropping by about one-fifth. Aggregate figures, however, show substantial increases in both EBIT and profits. This was largely driven by the services sector, which accounts for around half of total revenue and rebounded strongly in 2024 following negative results in the previous year. Other sectors also recorded notably improved EBIT figures. Medium-sized corporations exhibited only minor changes in median values. At the aggregate level, however, EBIT and profits increased by 42% and 52%, respectively, also driven by the strong performance of the services sector, which accounts for nearly 40% of revenue. At the same time, EBIT and profits in the medium-sized industrial and, particularly, energy corporations declined by up to 53%.

### **III.2 EBIT MARGIN: MINOR SECTORAL AND COUNTRY VARIATIONS WITH NOTABLE EXCEPTIONS**

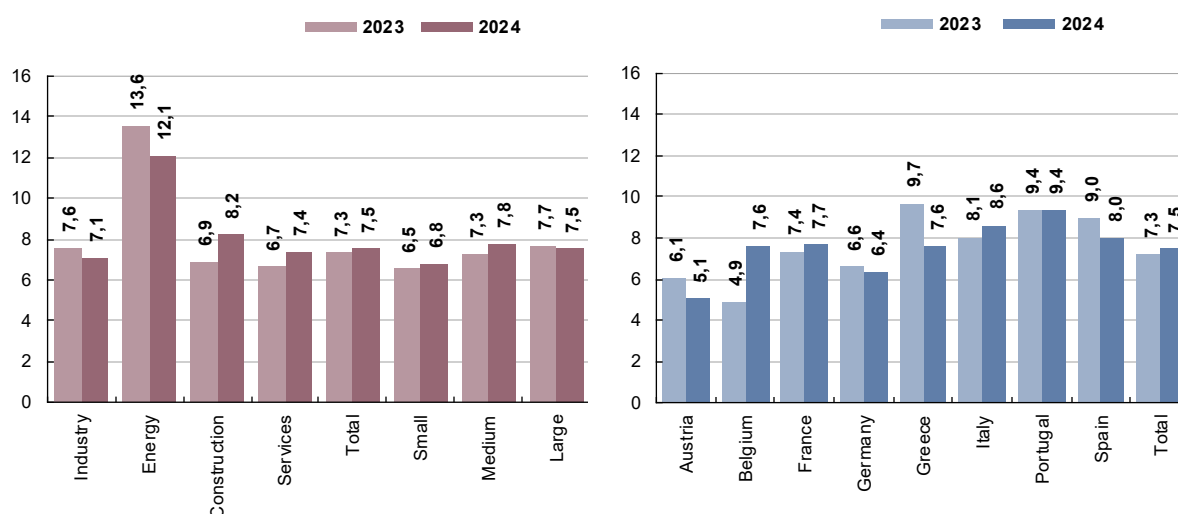
The profitability analysis is based on the EBIT margin, measured as EBIT/revenue. In median terms, the total EBIT margin showed a slight improvement of 0.2 pp in 2024, standing at 7.5% (see Chart 4). All group sizes posted only minor changes compared to the previous year (0.5 pp and -0.2 pp, respectively) and overall maintained similar levels with comparable EBIT margins between 6.8% and 7.5%.

While the services sector improved its EBIT margin by 0.7 pp and construction recorded even stronger growth with a 1.3 pp margin, the industry sector experienced a decline of 0.5 pp. Although the energy

sector recorded an even more pronounced decrease of 1.5 pp, it still maintained its leading position with a 12.1% margin – substantially higher than that of the other sectors. However, according to the weighted figures, all sectors showed only minor changes compared with the previous year, with the energy sector (10.6%) remaining above the other sectors, albeit by a significantly smaller margin (see Annex B).

Most countries posted minor changes in 2024, ranging between 0.6 pp and -1.0 pp compared with the previous year. Belgium was able to catch up with the other countries due to a significant increase of 2.7 pp, whereas Greek groups saw their EBIT margin fall by 2.1 pp. Following a 1 pp decrease to 5.1%, Austria now sits at the lower end of the range, whereas Portugal reported the highest value at 9.4%.

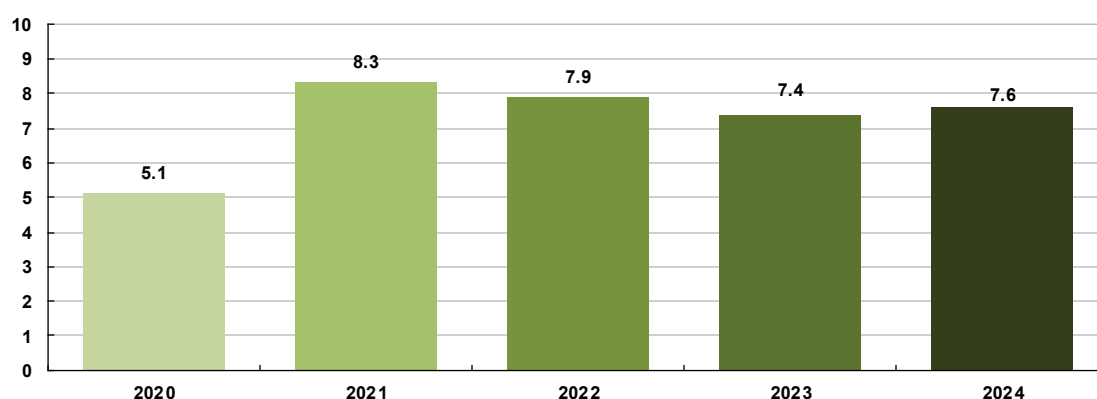
**CHART 4 MEDIAN EBIT MARGIN – EBIT / REVENUE 2023-2024 (%)**



Source: ERICA 2024 sliding sample.

On a timescale covering the last five years for a (smaller) fixed sample of groups, the median EBIT margin initially experienced a continuous decline up to 2023 (see Chart 5). In 2024 the margin recovered slightly to 7.6%, although it remained below the highs of 2021 (8.3%) and 2022 (7.9%).

**CHART 5 MEDIAN EBIT MARGIN – EBIT / REVENUE 2020-2024 (%)**

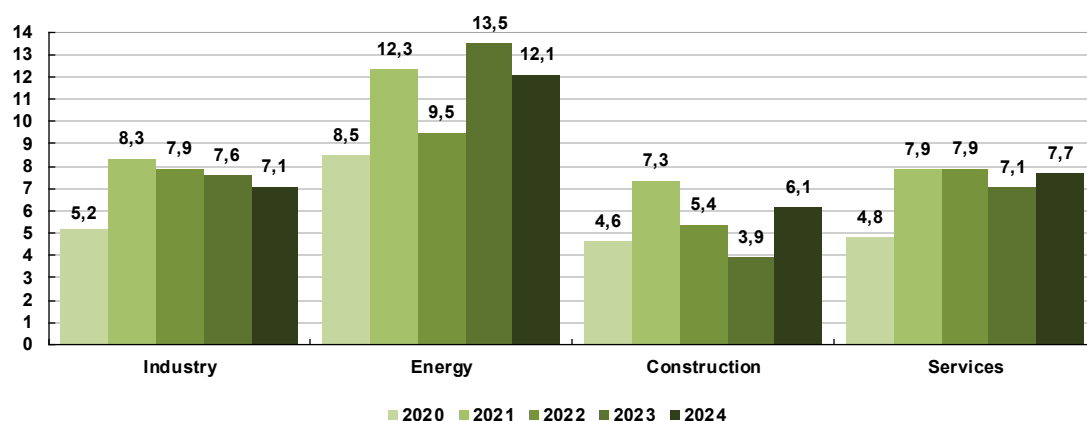


Source: ERICA 2024 fixed sample.

Excluding the energy sector, most sectors weakened up to 2023, before partially rebounding in 2024. Industry continued to edge down from its 2021 level, while the construction sector reached a new all-time low of 3.9% in 2023 before recovering noticeably in 2024. The services sector also picked up again in 2024, after easing from its 2022 peak.

By contrast, the energy sector remained highly volatile over the five-year period, peaking at 13.5% in 2023 before easing slightly in 2024. However, because energy groups represent a relatively small share of the ERICA sample, the positive effect was limited (see Chart 6).

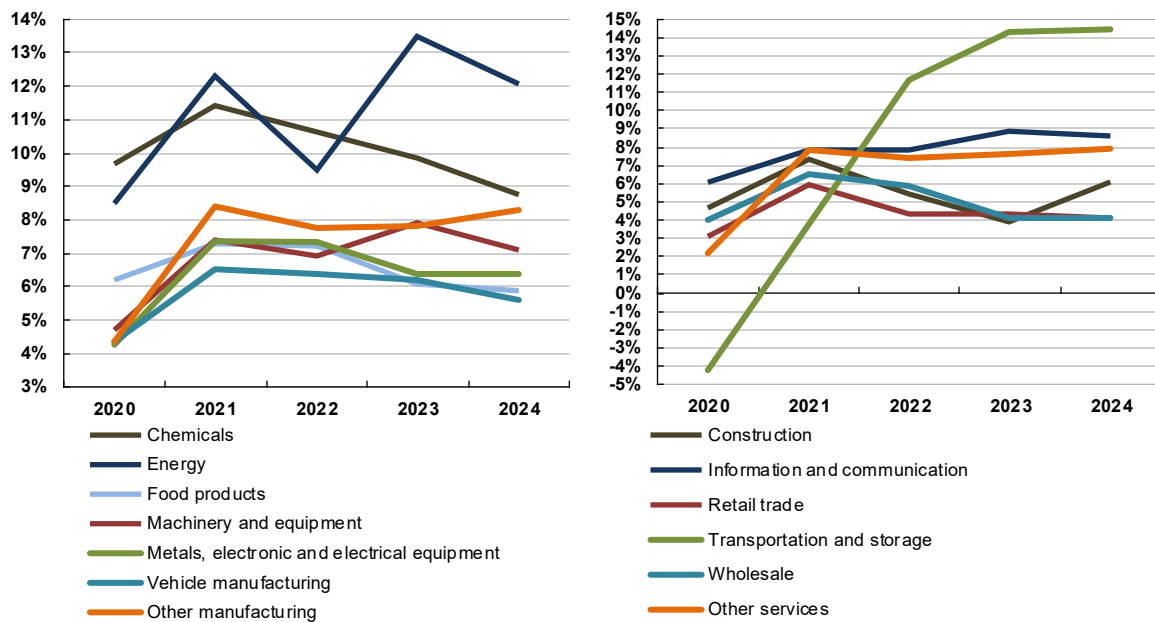
**CHART 6 MEDIAN EBIT MARGIN BY SECTOR 2020-2024 (%)**



Source: ERICA 2024 fixed sample.

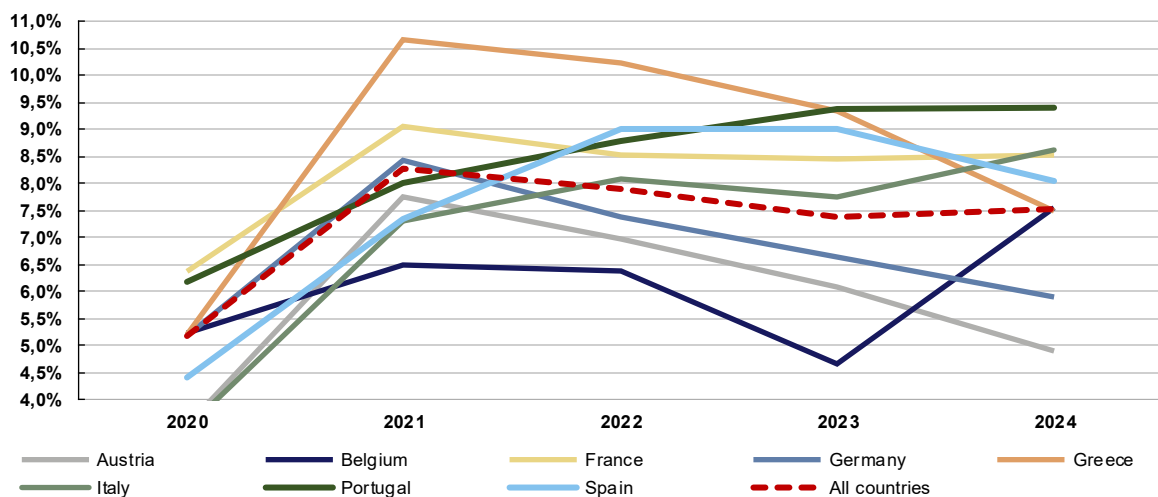
Most sectors, by branch of activity, followed an overall sideways trend in 2024. Within the industrial sector, most sub-sectors experienced moderate normalisation following the post-pandemic peaks, with only slight changes in margins in 2024, ranging from 0.5 pp to -0.8 pp (see Chart 7). Only the chemicals sub-sector continued its downward trend, with a sharper decline of 1.1 pp, bringing it closer to the level of the other sub-sectors. The volatile energy sector recorded the largest decrease, down 1.4 pp, yet remained the clear outperformer at 12.1%.

While most services sub-sectors saw only minor changes in 2024, between 0.1 pp and -0.3 pp, margins still varied significantly, ranging from 4.1% to 8.6%. Transportation and storage stood out, delivering exceptional performance over 2020-2024, achieving the highest EBIT margin at 14.5%. This largely reflects the significant impact of the COVID-19 crisis on European airlines and airline operators followed by a recovery that has exceeded pre-pandemic levels. As in previous years, the real estate sector (not shown in Chart 7 due to scaling) remained extremely volatile, peaking at 64.2% in 2021, dropping sharply to -1.3% in 2023 and rebounding to 27.8% in 2024, highlighting large year-to-year swings that were largely related to changes in the fair value of investment property.

**CHART 7      MEDIAN EBIT MARGIN BY BRANCH OF ACTIVITY 2020-2024**

Source: ERICA 2024 fixed samples.

The time series at country level shows that most countries peaked in 2021 during the post-pandemic rebound and have gradually normalised since then (see Chart 8). Austria, Germany and Greece stand out with consistent declines since 2021, whereas Portugal and Italy generally maintained upward trajectories, highlighting diverging country-level dynamics.

**CHART 8      MEDIAN EBIT MARGIN BY COUNTRY 2020-2024**

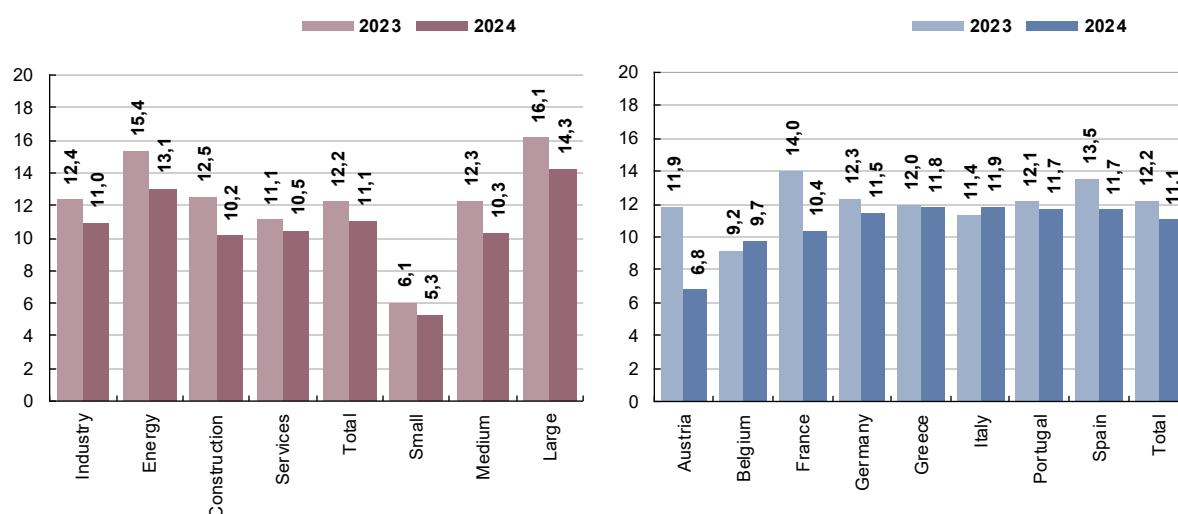
Source: ERICA 2024 fixed sample.

### III.3 RETURN ON EQUITY: DECLINES ACROSS MOST COUNTRIES AND ALL SECTORS AND SIZES

Looking at pre-tax profit relative to equity, the median return-on-equity (ROE) ratio of European listed groups declined across all sectors from 2023 to 2024, with the overall median declining from 12.2% to 11.1%. Industry decreased by 1.4 pp to 11.0%, services by 0.6 pp to 10.5% and construction recorded the steepest drop, down 2.3 pp to 10.2%. The energy sector also fell sharply, by 2.6 pp to 13.1%, but remained the highest-performing sector overall. By size, small groups' ROE fell by 0.6 pp to 5.3%, which is significantly lower than that of medium-sized groups (10.3%) and large groups (14.3%). On a weighted basis, however, ROE increased for both small and medium-sized groups, by 4.7 pp and 2.7 pp, respectively (see Annex B).

The country breakdown shows a decline in most countries, led by Austria with a significant decrease of 5.1 pp, followed by France (-3.6 pp) and Spain (-1.9 pp). Overall, most countries showed similar ROE levels, ranging from 9.7% to 11.9%. Only Austria, at 6.8%, lagged significantly behind. Based on weighted data, however, the decline was less pronounced, down 1.6 pp to 12.6%. Larger declines were nevertheless observed in the weighted figures for Greece (-5.1 pp), Portugal (-3.2 pp) and Italy (-3.0 pp).

**CHART 9 MEDIAN RETURN ON EQUITY: PROFIT (LOSS) BEFORE TAX / EQUITY 2023-2024 (%)**



Source: ERICA 2024 sliding sample.

#### IV. FINANCIAL POSITION: THE MEDIAN EQUITY RATIO EDGED UP, WHILE THE MEDIAN NET INDEBTEDNESS RATIO REMAINED UNCHANGED

This chapter analyses the financial structure of the groups included in the ERICA database, focusing on key indicators of reliance on equity and debt financing, respectively. The ERICA dataset covers 774 listed non-financial groups for 2024, with total assets worth approximately €7,600 billion. As the 273 largest groups account for 94% of total assets, they dominate the aggregate figures and weighted averages. This chapter therefore uses median values for analysing the sample, while Annex C reports weighted averages for comparison purposes.

**TABLE 3 OVERVIEW OF AGGREGATE FINANCIAL STRUCTURE POSITIONS IN 2024**

| € bn                                       | Number     | Total assets    | Financial debt  | Cash & cash equivalents | Equity          |
|--------------------------------------------|------------|-----------------|-----------------|-------------------------|-----------------|
| <b>By country.....</b>                     |            |                 |                 |                         |                 |
| Austria.....                               | 39         | 197.36          | 45.68           | 18.86                   | 86.16           |
| Belgium.....                               | 68         | 380.91          | 129.28          | 27.79                   | 157.69          |
| France.....                                | 186        | 2,167.84        | 631.76          | 239.87                  | 780.07          |
| Germany.....                               | 178        | 3,147.53        | 1,097.47        | 220.68                  | 1,088.50        |
| Greece.....                                | 50         | 96.34           | 32.31           | 11.23                   | 30.19           |
| Italy .....                                | 134        | 616.34          | 194.25          | 37.12                   | 135.22          |
| Portugal .....                             | 24         | 135.35          | 53.58           | 10.56                   | 37.27           |
| Spain.....                                 | 95         | 878.38          | 314.86          | 80.81                   | 283.64          |
| <b>Total.....</b>                          | <b>774</b> | <b>7,620.05</b> | <b>2,499.19</b> | <b>646.92</b>           | <b>2,598.74</b> |
| <b>By sector.....</b>                      |            |                 |                 |                         |                 |
| Industry.....                              | 343        | 3,650.47        | 1,181.50        | 307.23                  | 1,395.97        |
| Energy .....                               | 49         | 1,411.77        | 433.63          | 104.78                  | 447.59          |
| Construction.....                          | 50         | 433.23          | 133.11          | 60.27                   | 100.18          |
| Services.....                              | 331        | 2,096.57        | 740.48          | 168.82                  | 654.16          |
| <b>Total.....</b>                          | <b>773</b> | <b>7,592.04</b> | <b>2,488.72</b> | <b>641.10</b>           | <b>2,597.90</b> |
| <b>By size (revenue).....</b>              |            |                 |                 |                         |                 |
| Small groups (<€250 m).....                | 232        | 69.89           | 26.36           | 6.93                    | 32.60           |
| Medium-sized groups (€250 m-€1.5 bn) ..... | 266        | 408.43          | 143.78          | 36.64                   | 173.71          |
| Large groups (>€1.5 bn) .....              | 273        | 7,110.30        | 2,318.02        | 597.35                  | 2,389.05        |
| <b>Total.....</b>                          | <b>771</b> | <b>7,588.62</b> | <b>2,488.16</b> | <b>640.92</b>           | <b>2,595.36</b> |

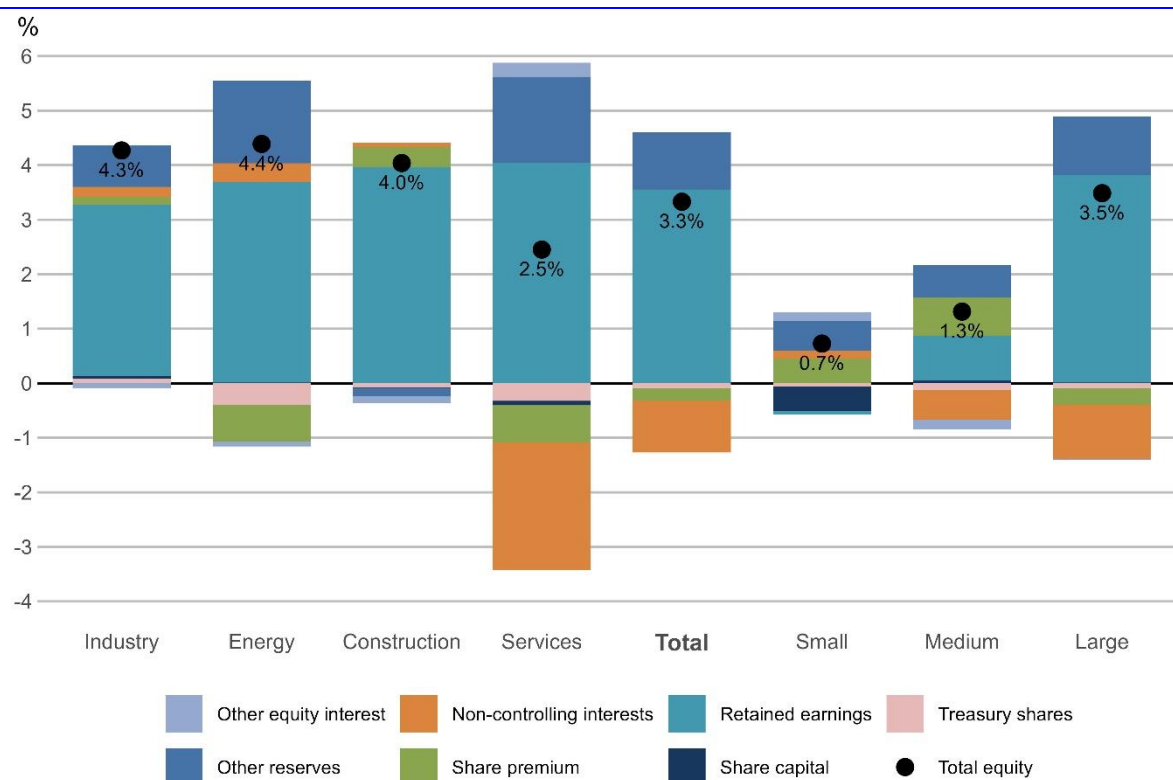
Source: ERICA 2024 static sample.

Note: The number of firms by country and by sector or by size differs: some double-counted groups are in different countries but belong to the same sector. Main figures for 2024 (filter used to avoid double-counting for each sector, size and country), with data in € billion.

## IV.1 SLIGHT INCREASE IN THE MEDIAN EQUITY RATIO

Chart 10 provides an overview of changes in equity in 2024. The contributions of the seven line items composing total equity are presented for the various sectors and size classes.

**CHART 10 CONTRIBUTIONS TO TOTAL EQUITY GROWTH, BY SECTOR AND BY SIZE IN 2024**



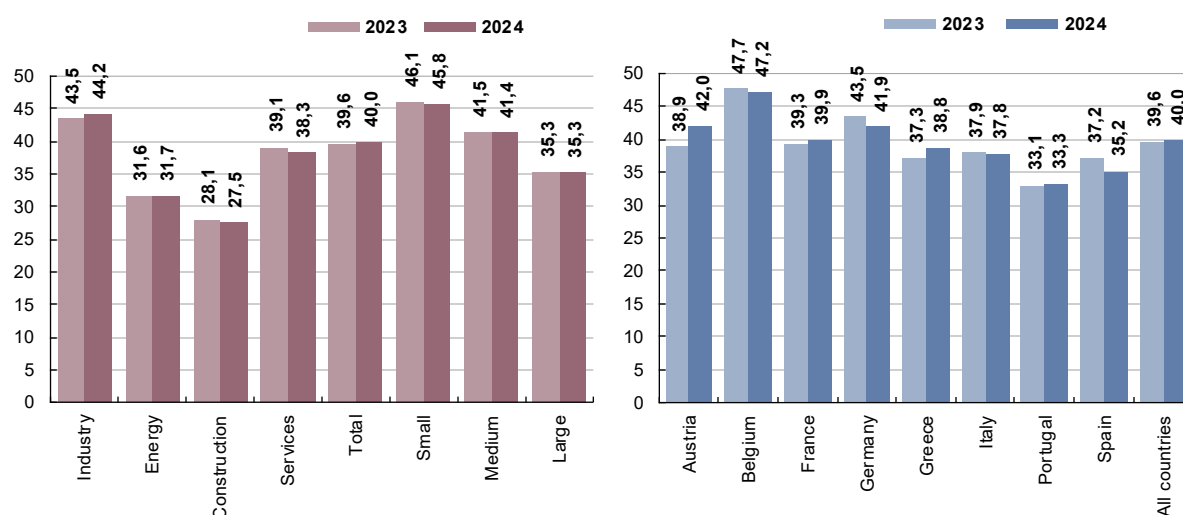
Source: ERICA 2024 sliding sample.

Overall, total equity grew by 3.3% in 2024, primarily driven by retained earnings, which accounted for a 3.5% increase. Additionally, the rise in other reserves, which mainly resulted from currency translation and the fair value measurement of securities, had a positive impact of 1.0%. Negative effects from the exit of minority shareholders and reduced share premium accounts contributed to a decline of 1.0% and 0.2%, respectively. The reduction of the share premium accounts was a consequence of share buy-back programmes, dividend payments and capital decreases. At the individual level, total equity increased for approximately two-thirds of the groups.

The disaggregation by economic sector shows that groups in the industry, energy and construction sectors recorded aggregate growth rates above that of the total sample. For services groups, declines in non-controlling interests and share premium accounts limited the increase in equity to 2.5%. In services, one factor was a large group from France that spun off several subsidiaries with a high share of minority interests. Another factor were large groups from Germany and France which bought back shares or utilised the share premium account to offset losses and bolster retained earnings. Across all sectors, retained earnings increased by similar amounts. Currency translation gains led to an increase in other reserves in industry, energy and services, but had only a minor impact on construction groups, as already documented in the ERICA WG's previous report.

The breakdown by size class shows differences in equity growth that are similar to those observed in recent years. As large groups are the dominating subsample, the factors that contributed to their growth rate of 3.5% mirror those of the total sample. For small and medium-sized groups, equity growth was more modest, at 0.7% and 1.3%, respectively. Although small groups were generally profitable, with aggregate after-tax profits of €745 million, their cash flow statements show total dividend payments of €839 million, which reduced retained earnings on a net basis. Small groups benefited instead from a 0.6% boost driven by a rise in other reserves and a 0.5% increase from higher share premium accounts, partly offset by a decline of 0.4% owing to share capital reductions. The rise in other reserves reflected revaluation gains on fixed assets and currency translation effects. The increase in share premium accounts stemmed mainly from a French services group that raised capital to fund the expansion of its operations and reduce debt. For medium-sized groups, retained earnings and share premium accounts were the main drivers of equity growth, contributing to a rise of 0.8% and 0.7%, respectively. Share premium accounts increased mainly because a French services group issued shares as consideration for acquiring a new subsidiary. The decrease in non-controlling interests reduced equity by 0.5%, principally reflecting an intragroup transaction in which an Austrian services group purchased shares in a subsidiary that had previously been held by the group's ultimate parent.

**CHART 11**      **MEDIAN EQUITY RATIO 2023-2024 (%)**



Source: ERICA 2024 sliding sample.

Chart 11 provides the median equity ratio for the different sectors, size classes and countries in the sample. Overall, the median equity ratio grew slightly by 0.4 pp to 40.0% in 2024. While median total assets rose by 8.1% and equity by 7.2%, the combination of the components of the ratio mostly led to an increase at the level of the individual groups.

At the sector level, the distribution of the median equity ratio confirmed the pattern observed in previous reports. Industrial groups had the highest ratio, at 44.2%, with a year-on-year gain of 0.7 pp. Groups in the services and energy sectors ranked second and third, with median ratios of 38.3% and 31.7%, respectively. The equity ratio was lowest for construction groups, with a median value of 27.5%. Although equity in the services and construction sectors grew in aggregate as well as in terms of the median, their ratios dropped slightly, by 0.8 pp and 0.6 pp, respectively. This suggests that asset expansion drove the change in the ratio at the individual level in these sectors. In the energy sector, the

median equity ratio was largely unchanged year-on-year, suggesting that movements in total assets and equity offset each other for the median group.

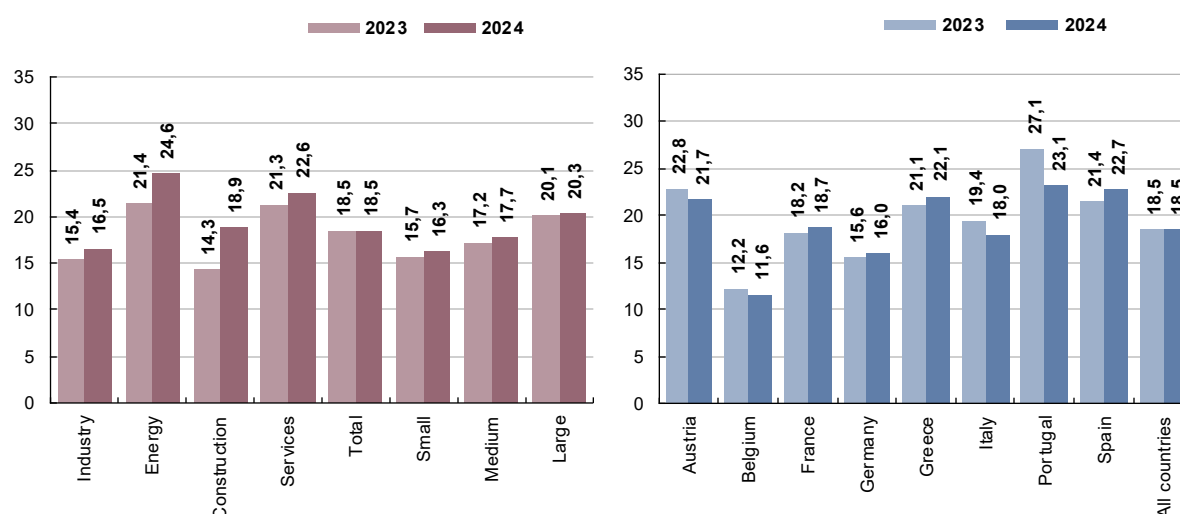
Across the different size classes, there were no major changes in the median equity ratio, and its ranking corresponded to the one observed in the ERICA WG's previous report. Small groups continued to have the highest ratio, with the median at 45.8% – slightly lower than in 2023. The median values for medium-sized and large groups remained essentially stable at 41.4% and 35.3%, respectively.

The breakdown by country shows that between 2023 and 2024, median equity ratios in most countries moved towards the median of the total sample. Median values increased in most countries whose 2023 values were below that of the total sample and decreased for all countries whose values were above. Groups from Italy and Spain were an exception as their median equity ratios moved away from the overall median. In particular, Spanish groups lost 2.0 pp, the sharpest country-level decline, while Austrian groups saw the strongest increase, up 3.1 pp. The median equity ratio was highest for groups from Belgium (47.2%) and lowest for groups from Portugal (33.3%).

## IV.2 THE MEDIAN NET INDEBTEDNESS RATIO REMAINED CONSTANT

The net indebtedness ratio is calculated as the sum of current and non-current financial liabilities less cash and cash equivalents relative to total assets. It represents the proportion of a corporate group's total assets that is financed through external borrowings, excluding cash and cash equivalents.

**CHART 12 MEDIAN NET INDEBTEDNESS RATIO 2023-2024 (%)**



Source: ERICA 2024 sliding sample.

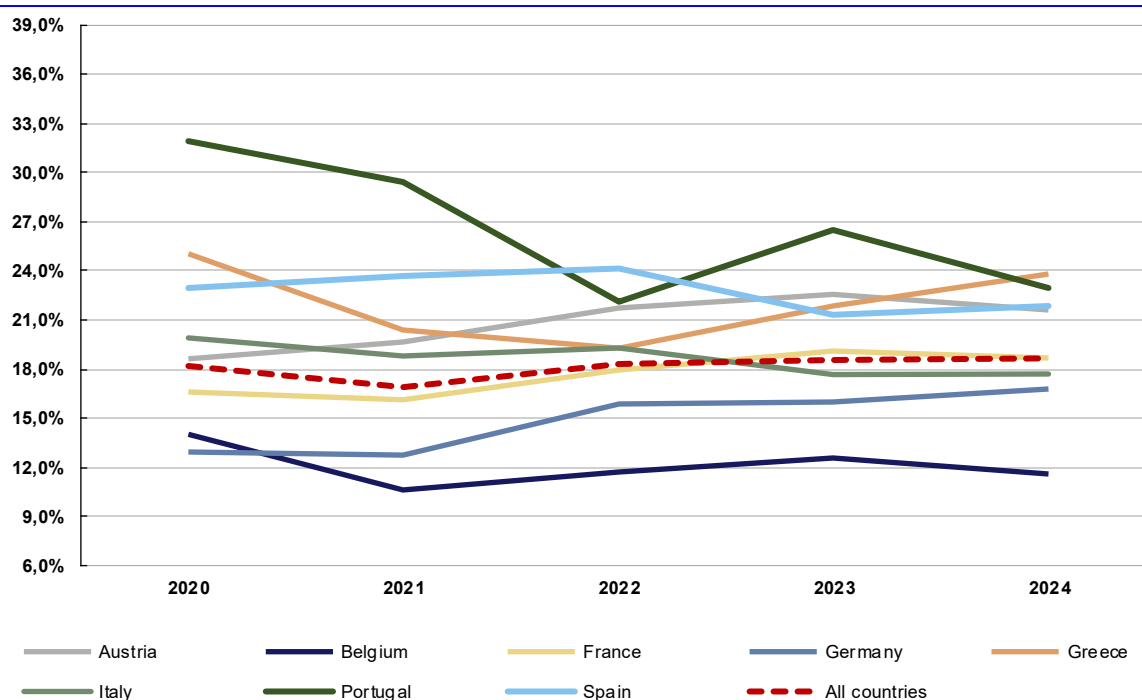
Chart 12 presents the median net indebtedness ratio by economic sector, size class and country of location for the sliding sample. In total, the median net indebtedness ratio remained constant at 18.5% through 2024. A disaggregation of the ratio reveals that the distribution of the individual components was largely unchanged. For example, the first and third quartiles of the respective balance sheet items were similar to those in 2023. This is particularly true for the industry and the services sectors, where the median net indebtedness ratio changed only slightly, by 1.1 pp and 1.3 pp, respectively. In contrast, construction and energy groups recorded a moderate increase in the median ratio, of 4.6 pp and 3.2 pp, respectively. However, as the samples for these sectors are relatively small, their medians are sensitive

to the changes in the observations at the centre of the distribution. Further analysis shows that for both sectors, the values of the first and third quartiles remained relatively stable, suggesting that the increase in medians does not represent a general trend in these sectors. Rather, this development seems to be attributable to changes in the observations clustered around the medians.

Across the different size classes, there were only slight increases in the median net indebtedness ratios, rising by 0.6 pp (to 16.3%) for small groups, by 0.5 pp (to 17.7%) for medium-sized groups and by 0.2 pp (to 20.3%) for large groups. None of the distributions of the underlying balance sheet positions showed noteworthy trends.

At the country level, Spanish groups recorded the strongest growth in the median net indebtedness ratio, rising by 1.3 pp to 22.7%. The sharpest decrease was observed for Portuguese groups, with a decline of 4.0 pp to 23.1%, although their median ratio was still the highest of all countries. Belgian groups, meanwhile, recorded the lowest ratio, at 11.6%. As a result, the gap between the highest and lowest medians was 11.5 pp, down by 3.4 pp year on year.

**CHART 13 MEDIAN NET INDEBTEDNESS BY COUNTRY 2020-2024**



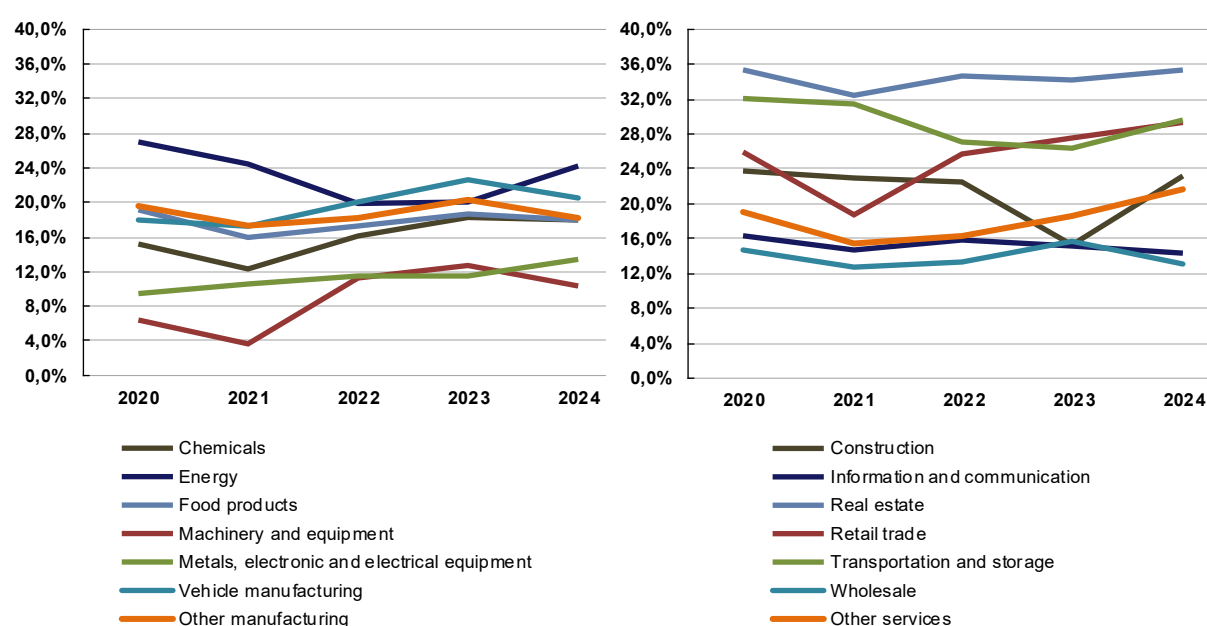
Source: ERICA 2024 fixed samples.

Based on the fixed sample, Chart 13 shows the performance of the net indebtedness ratio by country for the most recent five-year period. The median of all countries reached a maximum of 18.7% in 2024. In the years marked by the COVID-19 pandemic (2020-2021), the median ratio was lowest, at 18.2% and 16.9%, respectively, as many groups held more cash, consistent with reduced capital expenditure during the crisis. From 2022 onwards, the median net indebtedness ratio trended upwards, albeit only slightly. In general, the weighted average figures<sup>9</sup> are higher, but reveal similar patterns, in particular the drop in 2021 and the stable trend over the past two years.

<sup>9</sup> A chart showing the weighted average net indebtedness ratio per country is included in Annex C.1.

In median terms, the ratio for Portuguese groups resumed the downward trend that had persisted since 2020 and was only interrupted in 2023. This partly reflected the expansion of total assets and cash holdings, while financial liabilities remained largely unchanged. However, the change also seems to reflect changes in a few observations at the centre of the distribution of the Portuguese subsample, which is relatively small and whose median is therefore sensitive to such shifts. Greek groups exhibited an upward trend over the past two years, leaving them with the highest median net indebtedness ratio at country level in 2024. This is consistent with the over-representation of the services sector in the Greek subsample, as the net indebtedness ratio of services groups rose overall. As in the past three years, Belgian groups posted the lowest median value in 2024, widening the gap to the median of the total sample. Despite this, the overall range between the highest and lowest median values decreased slightly.

**CHART 14 MEDIAN NET INDEBTEDNESS BY BRANCH OF ACTIVITY 2020-2024**



Source: ERICA 2024 fixed samples.

Chart 14 confirms the mixed picture in terms of median net indebtedness across the different branches of activity observed in previous ERICA WG reports.<sup>10</sup> The most recent median values fell in seven branches and rose in seven others, mainly in services, with the strongest increases in construction, energy and transportation and storage. These branches generally had higher levels of current and non-current financial liabilities in 2024 compared with the previous year. Overall, these results are consistent with those for the sliding sample shown in Chart 12, despite differences in sample composition.

Groups in the real estate branch continued to have the highest relative net indebtedness over the entire period, while the lowest values were recorded for groups in the branches of machinery and equipment, and metals, electronic and electrical equipment. Nevertheless, the latter branch exhibited an upward trend over the sample period, mainly driven by increasing financial liabilities, bringing its median ratio closer to that of the total sample.

<sup>10</sup> Charts showing the weighted average net indebtedness ratio for each branch of activity are included in Annex C.2.

## V. FINANCIAL DEBT: THE COST OF DEBT CONTINUED TO RISE

This chapter provides insights into developments in access to financial debt and its cost for European non-financial listed groups in 2024, broken down by country, sector of activity and group size. Table 4 shows the values of financial debt broken down by source (financial institutions, bonds and leases) as well as the values of interest expenses. German and French groups account for more than two-thirds of financial debt. By sector, vehicle manufacturing and energy are responsible for more than 40%. Lastly, by size (measured by revenue), large groups account for more than 90% of the financial debt.

**TABLE 4 ERICA: OVERVIEW OF FINANCIAL DEBT AGGREGATE VARIABLES IN 2024**

| € bn                                              | Number     | of which<br>financial<br>debt | Financial<br>debt | Financial<br>institutions | Bonds<br>issued | Leases        | Interest<br>expense |
|---------------------------------------------------|------------|-------------------------------|-------------------|---------------------------|-----------------|---------------|---------------------|
| <b>By country.....</b>                            |            |                               |                   |                           |                 |               |                     |
| Austria.....                                      | 39         | 39                            | 45.68             | 20.39                     | 14.36           | 7.86          | 2.05                |
| Belgium.....                                      | 68         | 68                            | 129.28            | 19.89                     | 97.84           | 7.18          | 5.55                |
| France.....                                       | 186        | 186                           | 631.76            | 135.69                    | 320.78          | 65.38         | 21.02               |
| Germany.....                                      | 178        | 178                           | 1,097.47          | 159.09                    | 614.76          | 135.20        | 27.86               |
| Greece.....                                       | 50         | 50                            | 32.31             | 16.14                     | 11.96           | 3.49          | 1.52                |
| Italy.....                                        | 134        | 134                           | 194.25            | 98.48                     | 47.80           | 19.35         | 11.36               |
| Portugal.....                                     | 24         | 24                            | 53.58             | 9.74                      | 27.99           | 10.22         | 2.12                |
| Spain.....                                        | 95         | 95                            | 314.86            | 119.84                    | 117.84          | 47.87         | 14.04               |
| <b>Total.....</b>                                 | <b>774</b> | <b>774</b>                    | <b>2,499.19</b>   | <b>579.25</b>             | <b>1,253.33</b> | <b>296.55</b> | <b>85.53</b>        |
| <b>By sector.....</b>                             |            |                               |                   |                           |                 |               |                     |
| Chemicals.....                                    | 86         | 86                            | 193.44            | 42.55                     | 120.76          | 16.22         | 7.89                |
| Construction.....                                 | 50         | 50                            | 133.11            | 49.88                     | 65.18           | 10.59         | 6.39                |
| Energy.....                                       | 49         | 49                            | 433.63            | 115.54                    | 246.70          | 37.46         | 23.59               |
| Food products.....                                | 33         | 33                            | 109.07            | 9.97                      | 92.35           | 4.55          | 4.97                |
| Information and<br>communication.....             | 95         | 95                            | 281.40            | 32.56                     | 171.63          | 64.20         | 11.66               |
| Machinery and equipment..                         | 40         | 40                            | 26.59             | 5.81                      | 3.49            | 8.40          | 1.26                |
| Metals, electronic &<br>electrical equipment..... | 85         | 85                            | 160.72            | 33.60                     | 103.97          | 8.63          | 5.87                |
| Other manufacturing.....                          | 61         | 61                            | 47.62             | 10.86                     | 18.14           | 14.09         | 1.86                |
| Other services.....                               | 85         | 85                            | 76.76             | 18.87                     | 28.13           | 24.75         | 3.62                |
| Real estate.....                                  | 39         | 39                            | 73.40             | 29.43                     | 39.79           | 1.48          | 2.25                |
| Retail trade.....                                 | 40         | 40                            | 67.24             | 20.54                     | 11.70           | 28.18         | 3.37                |
| Transportation and storage                        | 29         | 29                            | 219.96            | 99.60                     | 28.35           | 47.98         | 4.87                |
| Vehicle manufacturing.....                        | 38         | 38                            | 644.08            | 99.31                     | 313.27          | 21.78         | 6.49                |
| Wholesale.....                                    | 43         | 43                            | 21.72             | 5.78                      | 6.14            | 7.24          | 1.02                |
| <b>Total.....</b>                                 | <b>773</b> | <b>773</b>                    | <b>2,488.72</b>   | <b>574.32</b>             | <b>1,249.59</b> | <b>295.55</b> | <b>85.11</b>        |
| <b>By size (revenue).....</b>                     |            |                               |                   |                           |                 |               |                     |
| Small groups (<€250 m)....                        | 232        | 232                           | 26.36             | 14.73                     | 7.88            | 1.98          | 1.13                |
| Medium-sized groups<br>(€250m - €1.5 bn).....     | 266        | 266                           | 143.78            | 68.97                     | 41.74           | 17.33         | 5.87                |
| Large groups (>€1.5 bn)....                       | 273        | 273                           | 2,318.02          | 490.18                    | 1,199.97        | 276.24        | 78.07               |
| <b>Total.....</b>                                 | <b>771</b> | <b>771</b>                    | <b>2,488.16</b>   | <b>573.87</b>             | <b>1,249.59</b> | <b>295.55</b> | <b>85.08</b>        |

Source: ERICA 2024 static sample.

Note: The number of groups by country and by sector or by size differs: some double-counted groups belong to different countries but are in the same sector. Main figures for 2024 (filter used to avoid double-counting for each sector, size category and country), data in € billion (€ bn).

## V.1 LEASES HAVE BECOME THE MOST COMMON SOURCE OF FINANCIAL DEBT CLOSELY FOLLOWED BY BANK LOANS

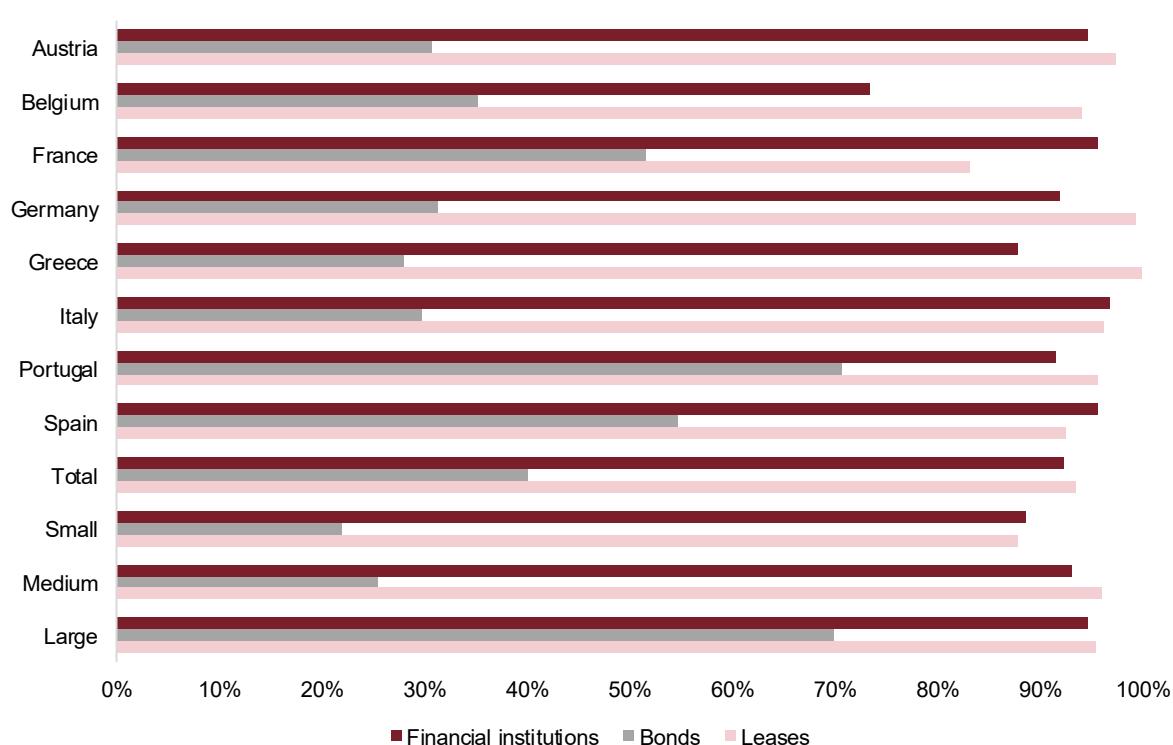
In general, leases are, in 2024, the most common source of financial debt with 94% of European non-financial listed groups resorting to them, closely followed by loans from financial institutions (93%) and by bonds (40%) (Chart 15). This general trend reflects the widespread ease of access to leasing and traditional bank financing.

At country level, funding from financial institutions and leasing are widely used. However, there are three deviations from this overall trend: only 74% of Belgian groups and 88% of Greek groups resort to bank loans, and solely 83% of French groups resort to leasing.

Bonds are used as a source of financial debt by 71% of Portuguese groups, which are the ones that use them the most, followed by Spanish groups (55%) and French groups (52%). By contrast, only 28% of Greek groups, 30% of Italian groups and 31% of German groups get financing through bonds issuances.

Finally, by size, large groups rely more on bonds, with 70% using them as a source of financial debt. On the other hand, just 22% of small groups and 26% of medium groups use them. This disparity reflects large groups' greater access to capital markets due to their higher credit ratings, greater transparency and larger scale. Bank loans and leases are used more broadly (almost 90% among small groups, and even more, in the case of medium and large groups).

**CHART 15 FINANCIAL DEBT STRUCTURE BY COUNTRY AND SIZE IN 2024 (number of groups)**



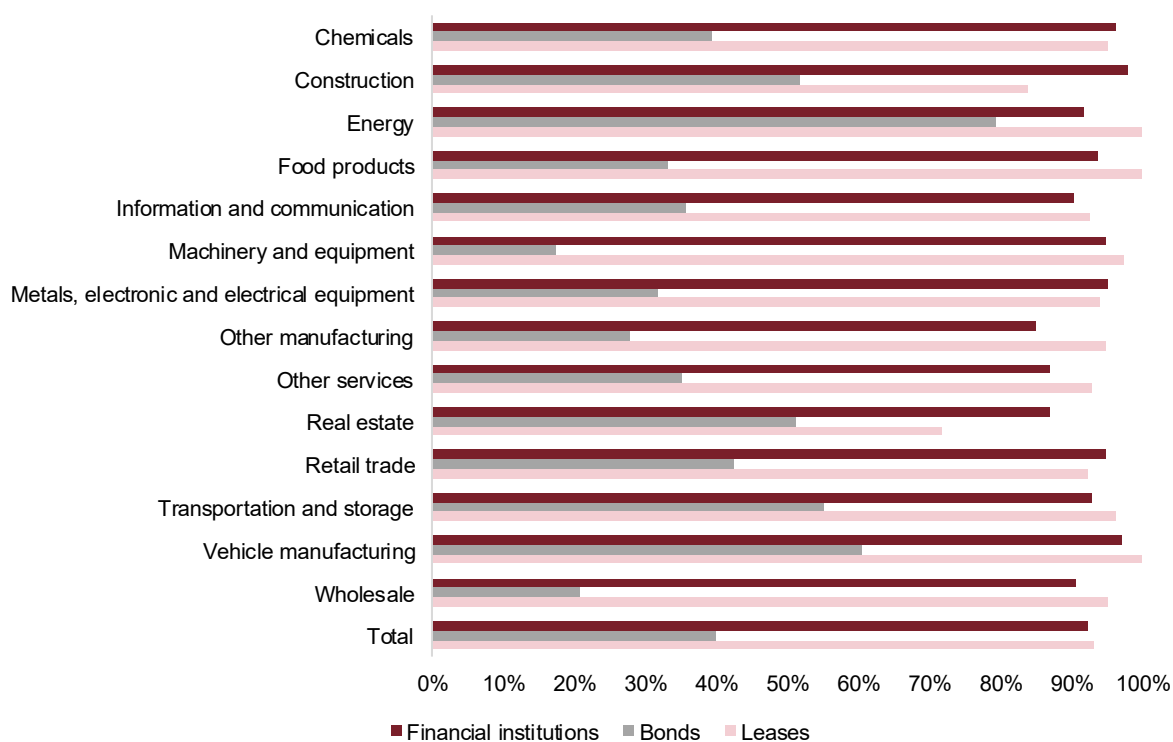
Source: ERICA 2024 static sample.

By sector of activity (Chart 16), there are also differences regarding the sources of funding. For instance, 80% of groups in the energy sector have issued bonds, reflecting their need for long-term financing and the growing importance of matters such as ESG funding, while only 18% of the groups in the machinery and equipment sector rely on them. These variations can be explained by the different nature and needs of each sector. For example, and again regarding the machinery and equipment sector, the most common source is leasing, which 98% of the groups resort to. Other capital-intensive sectors such as energy and vehicle manufacturing also deeply rely on leases, with 100% of the groups in these resorting to this source of financial debt.

As described above, there is a clear prevalence of bank loans and leases. In fact, more than 90% of the groups in each sector have funding from financial institutions and leases. The exceptions are construction and real estate groups, in the case of leases (84% and 72%, respectively), and groups in other manufacturing (85%), other services (87%), and real estate (87%), in the case of bank loans. For its part, bond financing shows the largest dispersion.

In sum, the data highlight a strong reliance on financial institutions and leases across categories, with a larger dispersion in bond usage, depending on geographic location, sector of activity and group size. Large groups and groups in the energy sector show a greater preference for bonds, while smaller groups and groups from the remaining sectors mainly rely on financial institutions and leases. Geographic differences further underscore the role of economic conditions and financial market structures in shaping financial behaviour.

**CHART 16 FINANCIAL DEBT STRUCTURE BY BRANCH OF ACTIVITY IN 2024 (number of groups)**



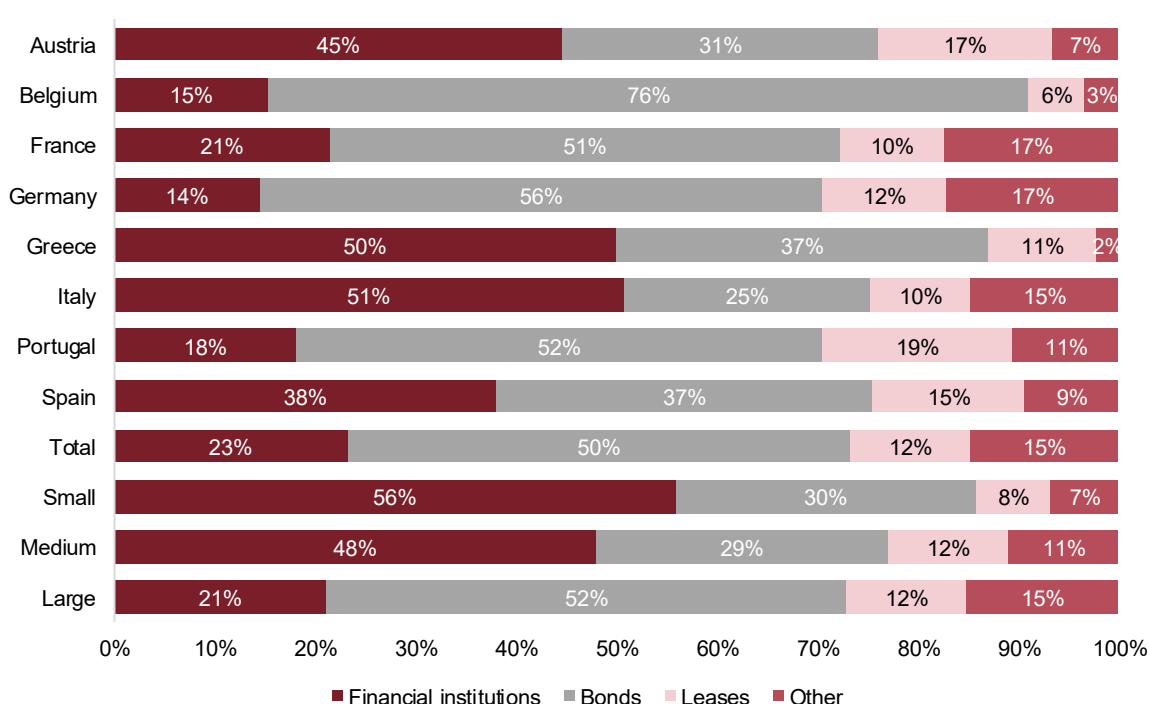
Source: ERICA 2024 static sample.

Chart 17 shows the financial debt structure by source: loans from financial institutions, bonds, leases and other loans. The figures for “Total” show that bonds account for half of financial debt, bank loans for almost one-fourth (23%) and leases for 12%. These findings along with those described above show that although almost all the groups have leases, these leases account for a small fraction of their financial debt.

By country, bank loans account for the largest share of financial debt contracted by groups from Italy (51%), Greece (50%), Austria (45%) and Spain (38%), while in the remaining countries bonds have the highest share. In fact, as noted, Greece and Italy have the smallest percentage of groups using bonds. By contrast, in Spain, although the largest portion of financial debt corresponds to loans from financial institutions, bonds are close behind, with 37%. In addition, although only 35% of Belgian groups have issued bonds, bond financing represents 76% of all the financial debt contracted by groups in this country. Furthermore, bonds also account for more than half of the financial debt in Germany, Portugal and France (56%, 52% and 51%, respectively).

In terms of group size, bond financing is also the largest source of financial debt in large groups, accounting for 52% of outstanding debt. By contrast, among small and medium-sized groups, the most important source of financing is loans from financial institutions (56% and 48%, respectively), while bonds represent 30% and 29% of financial debt.

**CHART 17 FINANCIAL DEBT STRUCTURE BY COUNTRY AND SIZE IN 2024 (total amounts)**



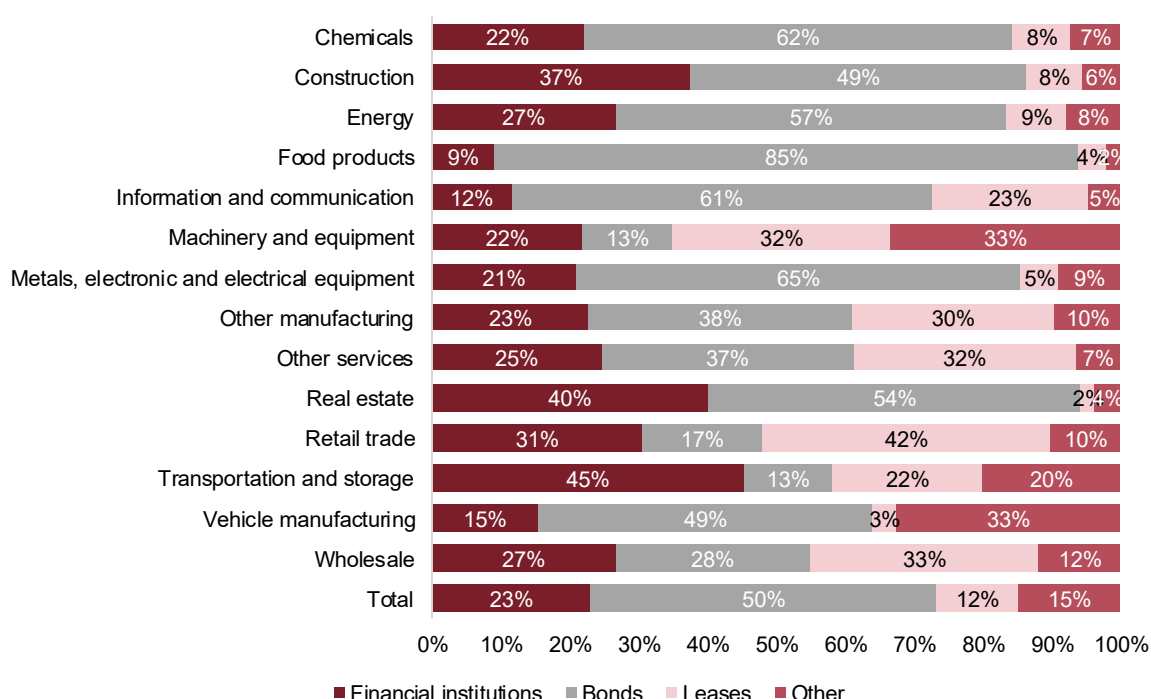
Source: ERICA 2024 static sample.

Finally, bonds also stand out in terms of sector of activity (Chart 18), as they are the primary source of financial debt in all sectors except machinery and equipment, retail trade and transportation and storage.

Groups from the machinery and equipment sector rely more on other loans (33%) and leases (32%), while groups in the retail trade and the transportation and storage sectors rely more on leases (42%) and bank loans (45%). Bonds are especially important as the main source of financing for groups in the food products sector (85% of financial debt), the metals, electronic and electrical equipment sector (65%), the chemicals sector (62%) and the information and communication sector (61%).

In conclusion, the nominal outstanding amounts illustrate the dominance of bonds as a financing source. This is particularly so in the case of Belgian groups, groups in the food product sector and large groups. Financial institutions remain critical for Italian and Greek groups, groups in the transportation and storage sector and smaller groups.

**CHART 18 FINANCIAL DEBT STRUCTURE BY BRANCH OF ACTIVITY IN 2024 (total amounts)**



Source: ERICA 2024 static sample.

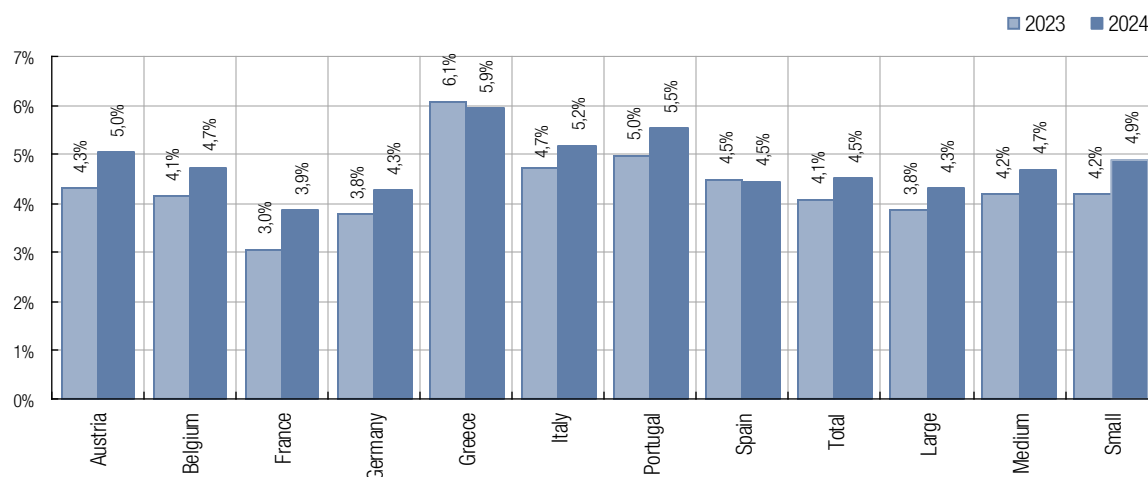
## V.2 THE COST OF DEBT ROSE IN 2024

In 2024, European non-financial listed groups' cost of debt rose, as the median cost of debt increased 0.4 pp from 4.1% in 2023 to 4.5% in 2024 (Chart 19). This was seen across almost all countries and group size classes. The exceptions were groups in Greece, whose median cost of debt decreased by 0.2 pp, and groups from Spain, which maintained their median cost of debt at 4.5%.

French groups experienced the largest growth in the median cost of debt (+0.9 pp), from 3.0% in 2023 to 3.9% in 2024, followed by Austrian groups (+0.7 pp to 5.0%) and Belgian groups (+0.6 pp to 4.7%). Greek groups had the highest median cost of debt (5.9%) in 2024 despite the reduction, followed by Portuguese groups with 5.5% and Italian groups with 5.2%. By contrast, although French groups have observed the greatest surge in median cost of debt, it is still the lowest (3.9%) among all the countries, followed by German groups with a median cost of debt of 4.3%.

By group size, all classes saw an increase in median cost of debt. Small groups experienced the sharpest increase compared with 2023 (+0.7 pp to 4.9%) and have the highest median cost of debt. By contrast, large groups witnessed the smallest increase (+0.5 pp) and the smallest median cost of debt (4.3%).

**CHART 19 MEDIAN COST OF DEBT BY COUNTRY AND GROUP SIZE 2023-2024 (%)**

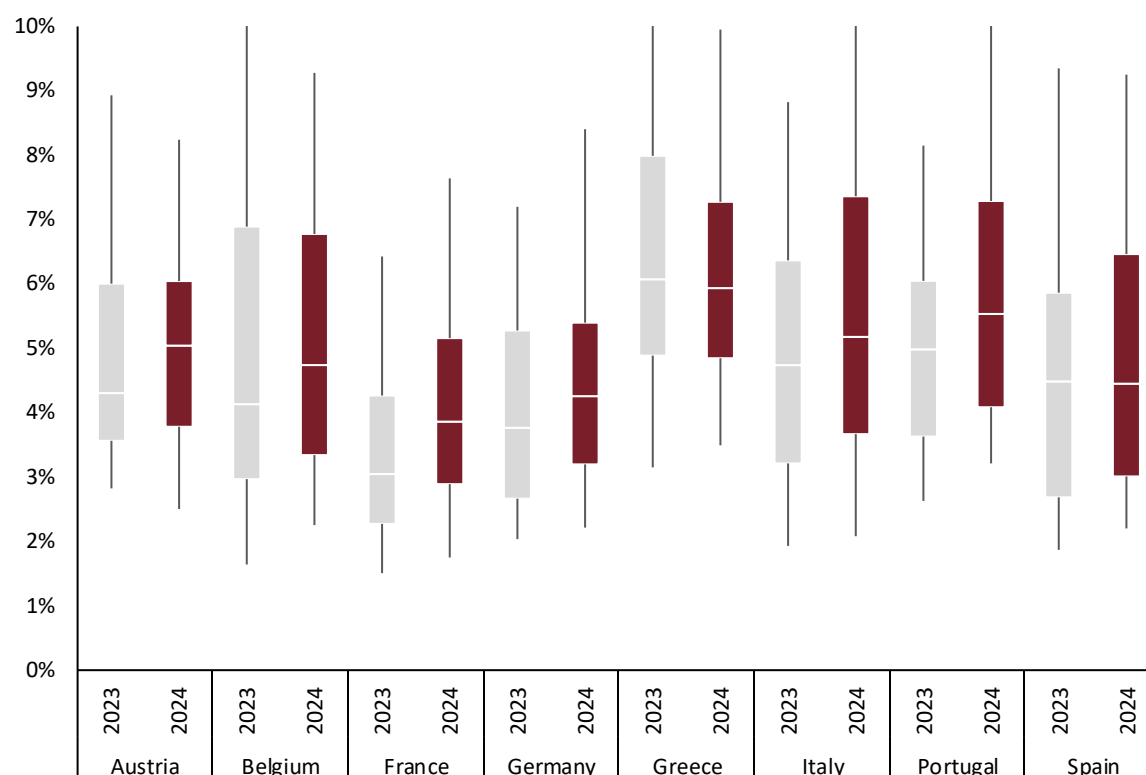


Source: ERICA 2023-2024 sliding sample.

In terms of the dispersion of the cost of debt across countries (Chart 20), almost all the first and third quartiles of the distributions shifted upward, with the exceptions being the third quartile for Belgian groups, and the first and the third quartiles for Greek groups. In the latter case, this means that the reduction in the cost of debt in Greece benefitted the various groups in general.

Regarding the first quartile, and despite the decrease, the largest value is observed for Greek groups (4.8%). Hence, three out of four Greek groups have a cost of debt higher than 4.8%. The second largest value for the first quartile corresponds to Portuguese groups (4.1%) and the third largest value relates to Austrian groups (3.8%). Interestingly, the lowest value for the third quartile for French groups (5.2%) is slightly above the value of the first quartile for Greek groups (4.8%). This means that only about one out of four French groups face a cost of debt equivalent to that faced by three out of four Greek groups.

The interquartile range grew the most for Portuguese (+0.8 pp) and Italian groups (+0.5 pp), especially due to the rise in the third quartile. In fact, Portuguese and Italian groups had the highest values for the third quartile (7.3% and 7.4%, respectively), like Greek groups (7.3%). Consequently, one out of every four groups from these countries has a cost of debt above 7.3%.

**CHART 20 COST OF DEBT BOX PLOT BY COUNTRY 2023-2024**

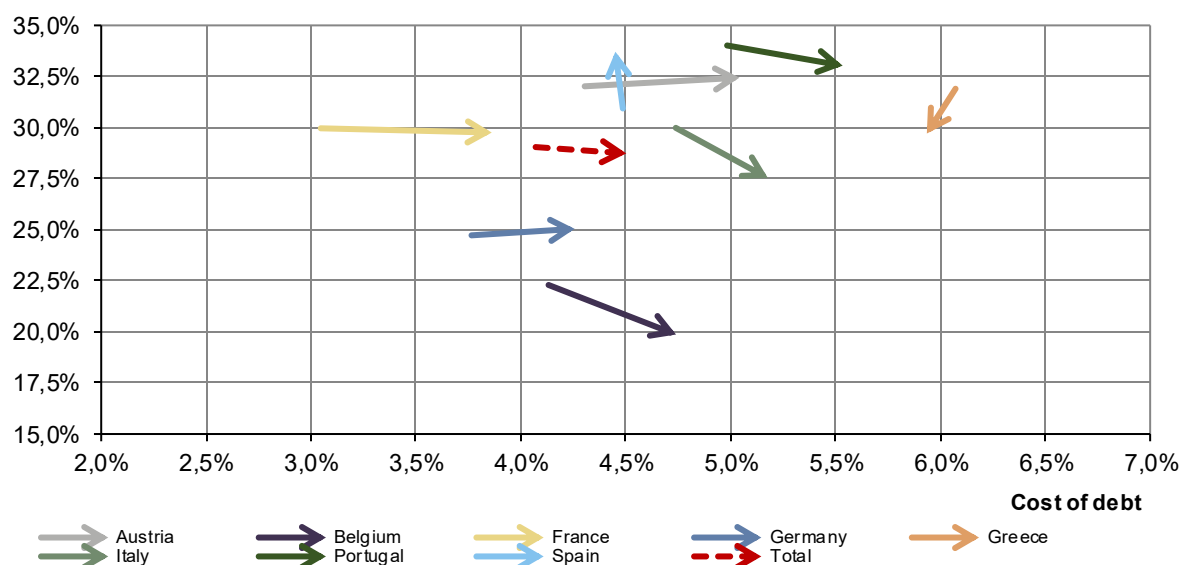
Source: ERICA 2023-2024 sliding sample.

Chart 21 illustrates changes in the correlation between cost of debt and indebtedness levels for all countries from 2023 to 2024. The median cost of debt rose from 4.1% in 2023 to 4.5% in 2024. However, the median level of indebtedness, measured as the ratio between financial debt and total assets, fell slightly, from 29.0% to 28.7%.

Spanish and Portuguese groups have the highest median level of indebtedness (33.7% and 33.0%, respectively), despite performing differently in 2024. Spanish groups increased their level of indebtedness by 2.8 pp and kept their cost of debt at 4.5%, while Portuguese groups decreased their median indebtedness level by 1 pp and increased their median cost of debt by 0.5 pp.

Only Greek groups saw a decrease in both median cost of debt and median financial debt to total assets. Belgian groups – and this also should be stressed – had the smallest level of indebtedness (19.9%), as they posted the second sharpest drop in this indicator (-2.4 pp behind Italian groups, with -2.5 pp).

Finally, French groups experienced the strongest growth in the median cost of debt despite the slight decrease (-0.2 pp to 29.8%) in median indebtedness, possibly reflecting the persistent political turmoil. However, they continue to have the lowest median cost of debt (3.9%).

**CHART 21 COST OF DEBT AND FINANCIAL DEBT TO TOTAL ASSETS BY COUNTRY IN 2024****Financial debt / Total Assets**

Source: ERICA 2023-2024 sliding sample.

### V.3 THE MEDIAN COST OF DEBT GREW IN ALMOST ALL SECTORS, ALTHOUGH IT FELL IN CONSTRUCTION AND WHOLESALE

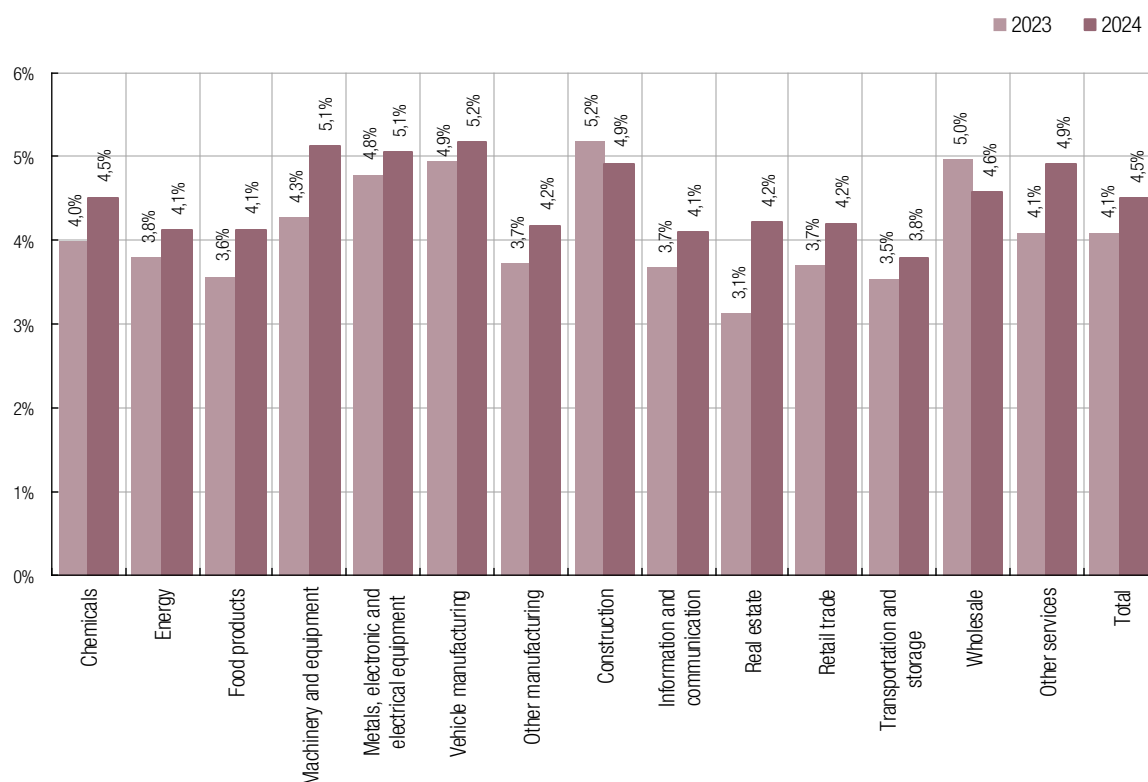
Between 2023 and 2024, groups from nearly all sectors of activity saw their median cost of debt rise. The exceptions are groups in the construction sector, whose median cost of debt edged down from 5.2% to 4.9%, and groups in the wholesale sector, whose median cost of debt fell from 5.0% to 4.6%. The largest jump was in real estate groups (+1.1 pp to 4.2%).

Groups from the vehicle manufacturing sector, the machinery and equipment sector and the metals, electronic and electrical equipment sector have the highest median cost of debt, with 5.2%, 5.1% and 5.1%, respectively, and are the only with a median cost of debt higher than 5%. Among them, the sharpest increase was observed in groups in the machinery and equipment sector (+0.8 pp).

By contrast, groups from the transportation and storage sector have the lowest median cost of debt (3.8%) and are the only below 4%. These groups' median cost of debt rose 0.3 pp, one of the smallest increases along with the groups from the vehicle manufacturing sector, the metals, electronic and electrical equipment sector and the energy sector, whose median cost of debt also increased, by 0.3 pp.

In sum, the data point to an upward trend in the cost of debt across sectors, with some sectors experiencing more significant increases than others, and only two showing decreases. Construction sector groups saw a decrease in their median cost of debt, forfeiting the first position among sectors with the largest median cost of debt to groups in the vehicle manufacturing sector. By contrast, real estate groups had the highest surge in the median cost of debt, while the groups in the transportation and storage sector had the lowest median cost of debt.

**CHART 22      MEDIAN COST OF DEBT BY BRANCH OF ACTIVITY 2023-2024 (%)**



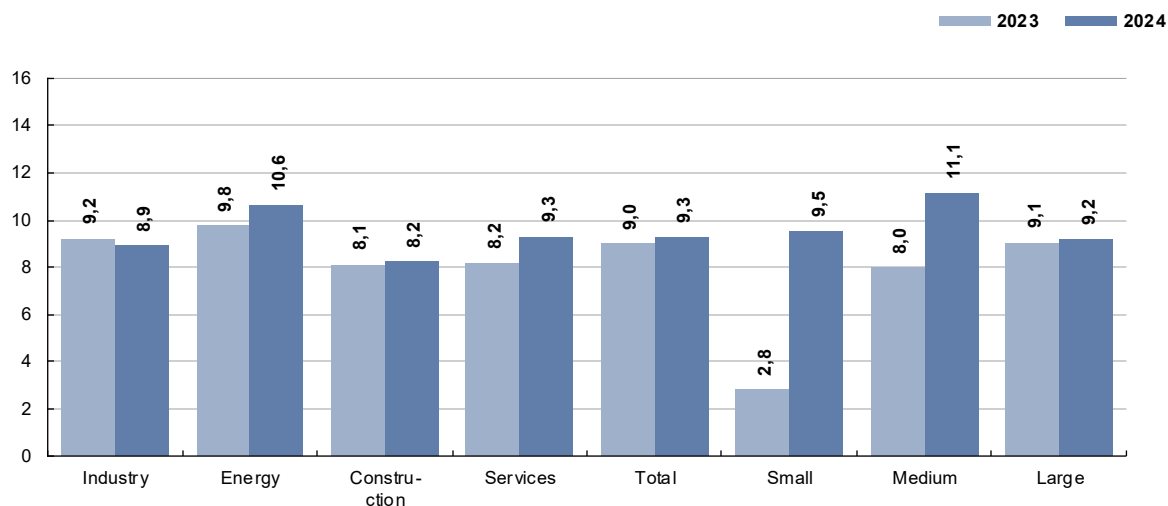
Source: ERICA 2023-2024 sliding sample.

## **ANNEX A: DEFINITION OF THE BRANCHES OF ACTIVITY**

| Name of the sector                          | NACE 2008<br>(2 digits)       |
|---------------------------------------------|-------------------------------|
| Food products                               | 01; 02; 10 - 12               |
| Chemicals                                   | 20 - 23                       |
| Metals, electronic and electrical equipment | 24 - 27                       |
| Machinery and equipment                     | 28                            |
| Vehicle manufacturing                       | 29 - 30                       |
| Other manufacturing industry                | 03; 07 - 09; 13 - 18; 31 - 33 |
| Energy                                      | 05 - 06; 19; 35 - 36          |
| Construction                                | 41 - 43                       |
| Retail trade                                | 45; 47                        |
| Wholesale                                   | 46                            |
| Transportation and storage                  | 49 - 53                       |
| Information and communication               | 58 - 63                       |
| Real estate                                 | 68                            |
| Other services                              | 37 - 39; 55 - 56; 69 - 96     |

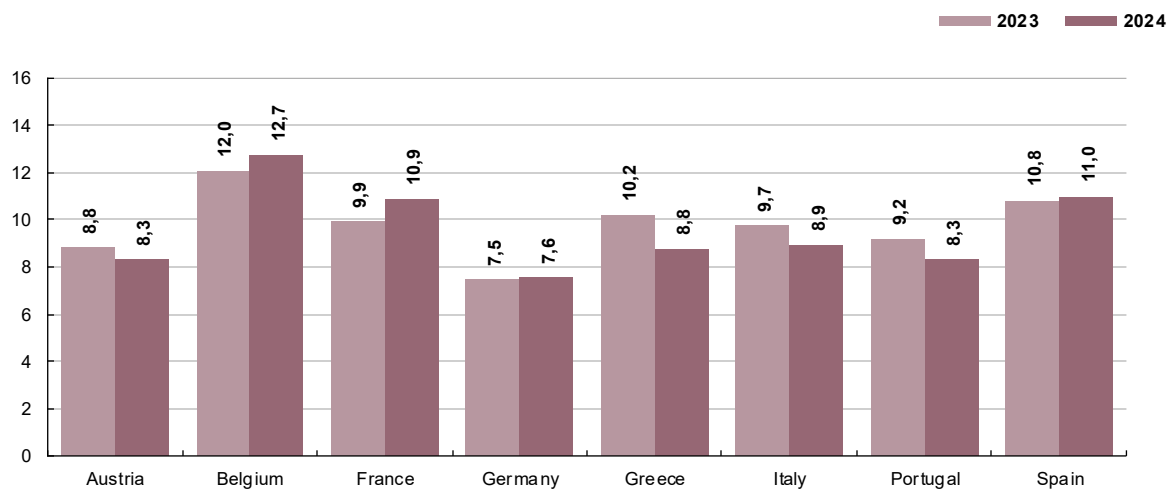
## ANNEX B: PROFITABILITY RATIOS – WEIGHTED AVERAGE BY SECTOR, BY SIZE AND BY COUNTRY

### 1. WEIGHTED AVERAGE EBIT MARGIN: EBIT / REVENUE 2023-2024 (%)



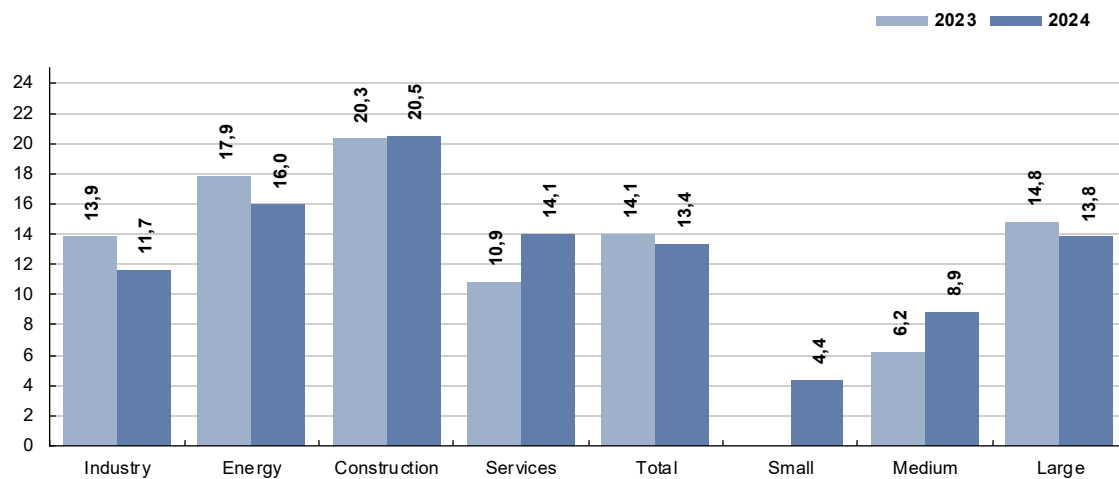
Source: ERICA 2024 sliding sample.

### 2. WEIGHTED AVERAGE EBIT MARGIN: EBIT / REVENUE 2023-2024 (%)

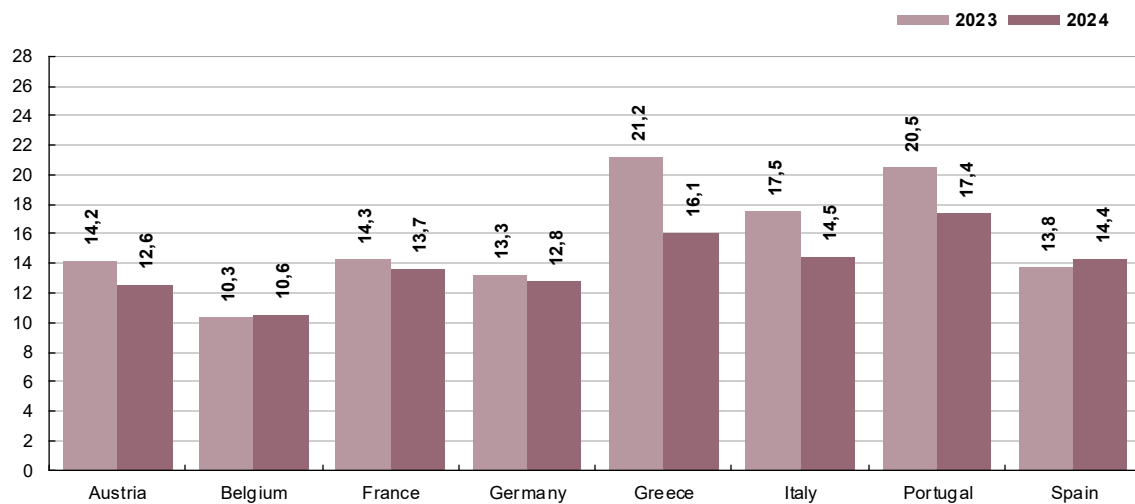


Source: ERICA 2024 sliding sample.

### 3. WEIGHTED AVERAGE RETURN ON EQUITY 2023-2024 (%)



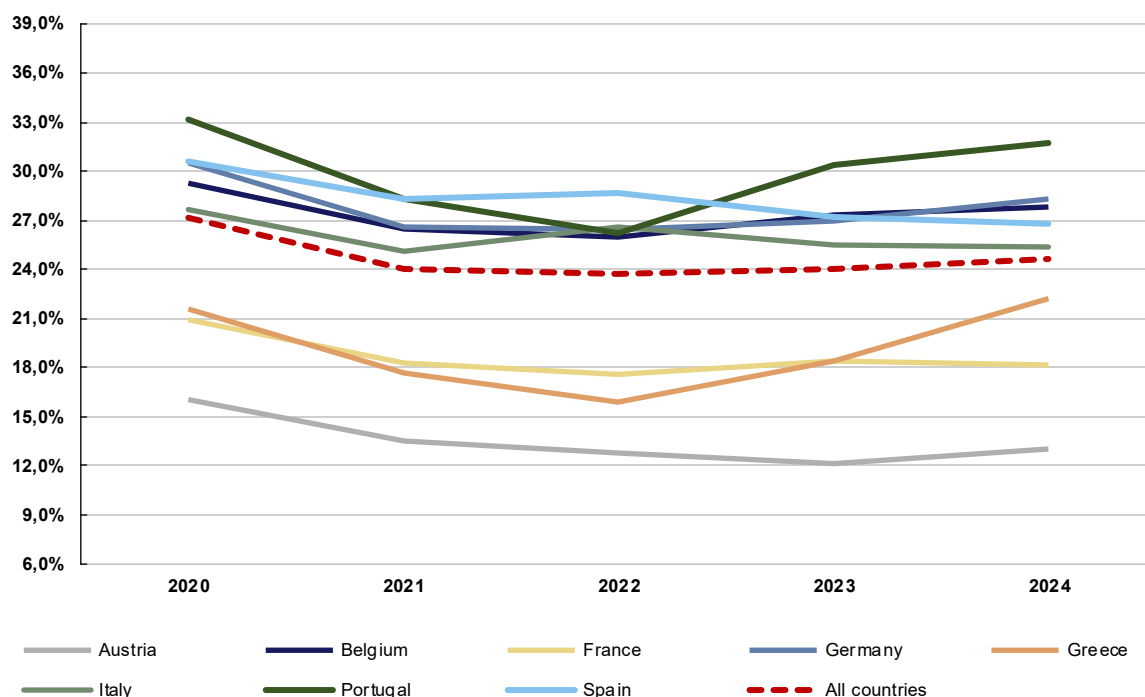
Source: ERICA 2024 sliding sample.



Source: ERICA 2024 sliding sample.

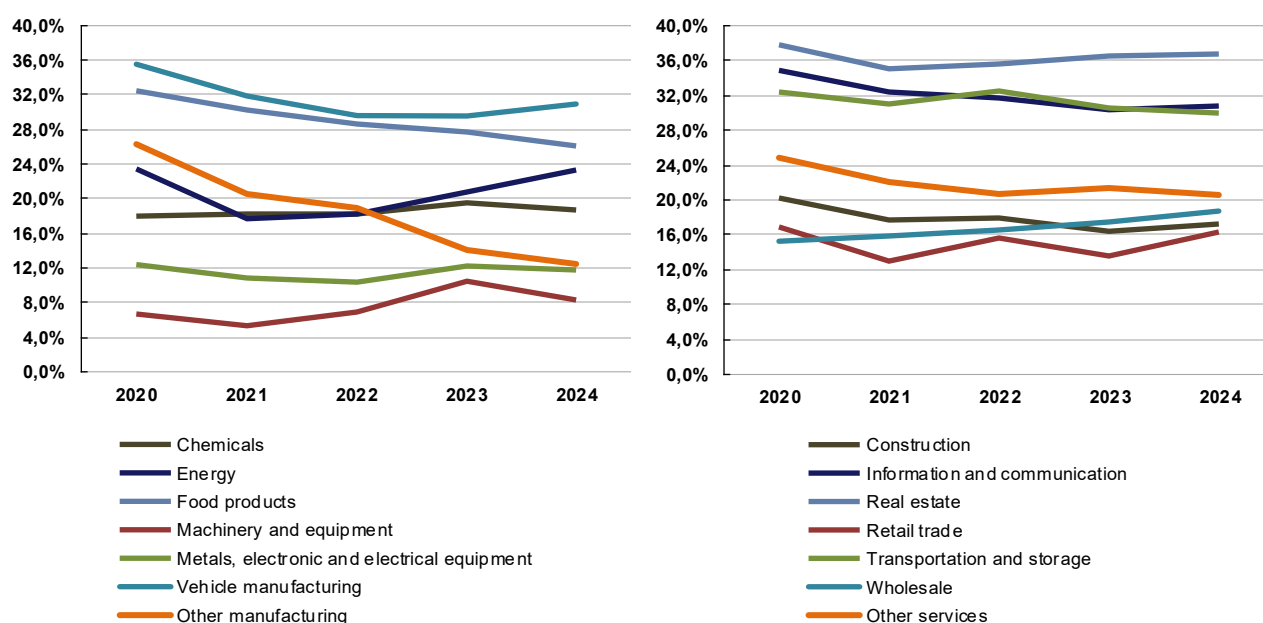
## ANNEX C: NET INDEBTEDNESS – WEIGHTED AVERAGE BY COUNTRY AND BRANCH OF ACTIVITY

### 1. WEIGHTED AVERAGE NET INDEBTEDNESS BY COUNTRY 2020-2024



Source: ERICA 2024 fixed samples.

### 2. WEIGHTED AVERAGE NET INDEBTEDNESS BY BRANCH OF ACTIVITY 2020-2024



Source: ERICA 2024 fixed samples.

## ANNEX D: DEFINITION OF MAIN RATIOS

| PROFITABILITY                         |                                                                                                                                                                                         |                                                                                                                                              |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| NAME                                  | DESCRIPTION                                                                                                                                                                             | FORMULA                                                                                                                                      |
| <b>EBITDA</b>                         | Earnings Before Interest, Taxes<br>Depreciation and Amortisation (proxy<br>for operating cash flow)                                                                                     | (Profit (loss) from operating activities +<br>depreciation and amortisation +<br>impairment losses) <sub>t</sub>                             |
| <b>EBIT</b>                           | Earnings Before Interest and Taxes                                                                                                                                                      | Profit (loss) from operating activities <sub>t</sub>                                                                                         |
| <b>Profit/Loss</b>                    | Profit/Loss after Taxes                                                                                                                                                                 | Profit (loss) from operating and financing<br>activities after taxes <sub>t</sub>                                                            |
| <b>EBITDA/Total<br/>Assets</b>        | Earnings Before Interest, Taxes<br>Depreciation and Amortisation / Total<br>assets, also known as EBITDA-ROI<br>(proxy for operating cash flow per<br>monetary unit of assets invested) | (Profit (loss) from operating activities +<br>depreciation and amortisation +<br>impairment losses) <sub>t</sub> / Total assets <sub>t</sub> |
| <b>EBIT margin</b>                    | Earnings Before Interest and Taxes /<br>Revenues                                                                                                                                        | Profit (loss) from operating activities <sub>t</sub> /<br>Revenues <sub>t</sub>                                                              |
| <b>ROE</b>                            | Return on Equity                                                                                                                                                                        | Earnings Before Taxes <sub>t</sub> / Equity <sub>t</sub>                                                                                     |
| FINANCIAL STRUCTURE AND COST OF DEBT  |                                                                                                                                                                                         |                                                                                                                                              |
| <b>Equity<br/>Growth</b>              | Change in consolidated equity year<br>on year (YoY)                                                                                                                                     | Equity <sub>t</sub> / Equity <sub>t-1-1</sub> or (Equity <sub>t</sub> -Equity <sub>t-1</sub> ) /<br>Equity <sub>t-1</sub>                    |
| <b>Equity Ratio</b>                   | % of total assets financed with equity<br>(a kind of leverage ratio)                                                                                                                    | Equity <sub>t</sub> / Total assets <sub>t</sub>                                                                                              |
| <b>Cost of Debt</b>                   | Weighted (by external financing<br>source) average cost of external<br>financing debt                                                                                                   | Total interest expense <sub>t</sub> / Financial debt <sub>t</sub>                                                                            |
| <b>Financial<br/>Debt Ratio</b>       | Use of credit to finance operations<br>and investment                                                                                                                                   | Non-current and current interest-bearing<br>borrowings <sub>t</sub> / Total assets <sub>t</sub>                                              |
| <b>Net<br/>Indebtedness<br/>Ratio</b> | % of total assets financed through<br>external borrowings that are not<br>covered by cash or cash equivalents                                                                           | (Non-current and current interest-bearing<br>borrowings <sub>t</sub> - Cash & cash equivalents <sub>t</sub> ) /<br>Total assets <sub>t</sub> |