

BALTIC TOP 50 2013



CONTENTS

- / 02 Coface Baltic Top 50:
Ranking and methodology
- / 03 Country analysis and
country ranking
- / 06 Sector analysis and
sector ranking

For the first time, Coface publishes the Baltic Top 50. The companies are ranked based on their turnover in 2012. The total turnover of all the companies surveyed was 36 billion EUR.

Top 3 largest companies in the Baltic region

With a turnover of approximately 6.3 billion EUR, Orlen Lietuva AB, a Polish-based oil and gas company with a branch in Lithuania, ranks first in 2012. Vilnius Prekyba UAB (2.8 billion EUR, Lithuania) comes in second place and Maxima Grupe UAB (2.4 billion EUR, Lithuania) in third place. These three companies generated almost one third of the total turnover of all Top 50 companies.

Country Analysis

Most of the Top 50 companies are based in Lithuania (29). Twelve companies are Latvian and only nine Estonian. Latvia had the highest GDP growth rate in Europe in 2012 (5.1%). It's also Latvian companies that show the highest growth rate in turnover in this study (average rate: 18%). The turnover of Estonian companies increased by 13% on average, Lithuanian companies had to be satisfied with 9%.

Industry Review

In 2012, the oil and gas sector became one of the sectors with the most dynamic growth rate in the Baltics, with companies posting a plus of 29%. The only sector with a negative growth rate was energy supply. Nevertheless, energy companies still rank third in terms of turnover.

DISCLAIMER

This document reflects the opinion of the Coface Central Europe on the date of publication and subject to the available information, and may be modified at any time. The information, analyses and opinions presented are drawn from multiple sources that were judged reliable and credible. However, Coface does not guarantee the accuracy, completeness or representativeness of the data contained in this document.

The information, analyses and opinions are provided for information only and should be used in conjunction with other information the reader might already possess. Coface is not bound by an obligation of results but by an obligation of means and shall not be held responsible for any losses incurred by the reader arising from the use of the information, analyses and opinions contained in this document.

This document, and likewise, the analyses and opinions which are expressed are the sole property of Coface. The reader may consult or reproduce them for internal use only and subject to mentioning Coface as the source; the data may not be altered or modified in any way. The information may not be used, extracted or reproduced for public or commercial purposes without prior permission from Coface. The reader is asked to refer to the legal notices on the Coface website.

Coface Baltic Top 50 Companies

The Coface Baltic Top 50 panorama is a joint project between the Coface branch offices in Central and Eastern Europe. This ranking covers the largest companies in the region – based on turnover for the 2012 calendar year. The study includes the following countries: Estonia, Latvia and Lithuania.

Methodology

The largest companies in each of the above countries (turnover ≥ EUR 120 million) were identified, whereby financial service providers such as banks, insurance companies, leasing firms and brokers were excluded.

In addition to revenues, the ranking of the Coface Baltic Top 50 companies includes other key corporate

indicators, e.g. net profits and the number of employees. Turnover and profit were converted into EUR based on the exchange rate at the end of 2012. The data were taken from our databases and supplemented with external information as required. Companies invited to participate in the survey which refused to take part are not included in the final ranking.

Position 2012	Country	Company Name	Main Sector	Turnover in mEUR 2012	Turnover in mEUR 2011	Change Turnover	Net Profit in mEUR 2012	Net Profit in mEUR 2011	Change Net Profit	Employment 2012	Employment 2011	Change
1	LT	ORLEN LIETUVA AB*	Oil & Gas	5,871,9	6,264,7	7%	-4,0	62,6	1,659%	2,552	2,284	-11%
2	LT	VILNIUS PREKYBA UAB*	Others	2,580,8	2,792,7	8%	75,2	65,7	-13%	30,568	32,593	7%
3	LT	MAXIMA GRUPE UAB*	Others	2,262,3	2,383,3	5%	61,0	51,0	-16%	28,282	29,500	4%
4	LT	MAXIMA LT UAB	Retail	1,340,5	1,377,1	3%	63,1	45,2	-28%	15,602	16,322	5%
5	EE	ERICSSON EESTI AS	Telecommunications	1,241,3	1,330,7	7%	61,0	26,8	-56%	1,397	1,426	2%
6	LV	URALCHEM TRADING SIA	Wholesale	1,031,9	1,226,8	19%	18,6	34,8	87%	24	24	0%
7	LT	KONCERNAS ACHAMOS GRUPE UAB*	Others	868,2	1,029,1	19%	56,2	32,7	-42%	4,800	4,900	2%
8	LV	LATVENERGO AS	Energy supply	1,004,6	942,3	-6%	943,8	45,5	-95%	1,323	1,380	4%
9	LT	VISAGINO ATOMINE ELEKTRINE UAB*	Energy supply	783,6	809,1	3%	-31,6	-225,5	-615%	5,413	4,612	-15%
10	LV	ELKO GRUPA AS	Wholesale	568,0	731,1	29%	8,9	11,4	28%	175	187	7%
11	LT	LUKOIL BALTIJA UAB	Service station operator	688,4	721,5	5%	2,8	4,8	69%	1,150	1,150	0%
12	LV	ORLEN LATVIJA SIA	Oil & Gas	568,4	700,1	23%	2,7	3,6	32%	8	8	0%
13	LT	ACHEMA AB	Production general	627,9	673,2	7%	27,9	18,6	-33%	1,175	1,175	0%
14	LT	LESTO AB*	Energy supply	650,3	661,4	2%	-17,8	-13,2	26%	3,564	3,384	-5%
15	LT	PALINK UAB*	Retail	633,6	656,8	4%	5,1	-3,1	-161%	9,200	8,860	-4%
16	LV	MAXIMA LATVIJA SIA	Retail	592,2	645,5	9%	2,7	20,4	662%	6,899	7,843	14%
17	LT	SANITEX UAB*	Transport	521,3	546,8	5%	2,4	9,5	297%	2,108	2,161	3%
18	LT	LIETUVOS DUJOS AB*	Oil & Gas	534,6	544,2	2%	27,7	21,6	-22%	1,719	1,700	-1%
19	EE	ORLEN EESTI OU	Oil & Gas	463,7	535,3	15%	2,3	2,1	-8%	23	25	9%
20	LT	LIETUVOS GELEZINKELIAI AB*	Transport	461,0	503,1	9%	43,5	37,4	-14%	12,117	12,446	3%
21	LT	INDORAMA POLYMERS EUROPE UAB*	Wholesale	508,3	461,7	-9%	27,9	7,0	-75%	149	149	0%
22	LT	KONCERNAS MG BALTIK UAB*	Others	403,0	452,5	12%	3,4	13,7	298%	2,870	3,104	8%
23	LT	LIFOSA AB	Production general	415,7	419,1	1%	62,4	13,4	-79%	950	974	3%
24	LT	LIETUVOS ENERGIJA AB*	Energy supply	414,0	418,2	1%	0,4	10,9	2,367%	1,179	1,180	0%
25	EE	TALLINK GRUPP AS	Transport	496,3	415,7	-16%	-28,2	10,7	-138%	6,720	6,868	2%
26	EE	EESTI ENERGIA AS	Energy supply	391,5	412,3	5%	82,0	81,9	0%	7,585	7,573	0%
27	LT	KAUNO GRUDAI AB*	Food industry	341,8	401,2	17%	9,4	10,8	15%	2,858	3,000	5%
28	LV	LDZ CARGO SIA	Transport	371,8	398,8	7%	11,2	12,0	7%	2,637	2,700	2%
29	LT	NORFOS MAZMENA UAB	Retail	368,7	390,2	6%	0,8	2,7	218%	3,287	3,378	3%
30	LT	LINAS AGRO GROUP AB*	Others	392,1	387,5	-1%	5,5	27,3	397%	775	595	-23%
31	EE	NESTE EESTI AS	Oil & Gas	188,8	371,2	97%	3,3	4,3	30%	39	39	0%
32	LT	NEO GROUP UAB	Production general	388,6	367,4	-5%	12,6	2,2	-83%	192	187	-3%
33	EE	RIMI EESTI FOOD AS	Retail	351,6	359,1	2%	-0,5	2,8	-620%	2,032	2,102	3%
34	LT	RIVONA UAB	Wholesale	344,4	358,0	4%	0,0	-0,1	-2,486%	1,106	1,028	-7%
35	EE	EESTI ENERGIA NARVA ELEKTRIJAMAD AS	Energy supply	418,5	357,8	-15%	50,6	-22,8	-145%	1,196	832	-30%
36	LT	SENUKU PREKYBOS CENTRAS UAB*	Wholesale	324,0	351,0	8%	12,6	9,9	-21%	4,720	5,125	9%
37	LT	INDORAMA HOLDINGS EUROPE UAB*	Wholesale	340,2	350,8	3%	20,1	12,4	-39%	116	116	0%
38	EE	MAXIMA EESTI OÜ	Retail	291,2	336,3	15%	-8,3	3,5	143%	3,164	3,575	13%
39	LT	PLUNGES KOOPERATINE PREKYBA UAB*	Food industry	300,8	334,4	11%	12,5	-0,2	-102%	4,606	4,518	-2%
40	EE	SELVER AS	Retail	318,7	330,5	4%	11,0	9,1	-17%	1,975	2,124	8%
41	LV	LUKOIL BALTIJA R SIA	Wholesale	330,2	330,5	0%	2,0	4,0	104%	490	470	-4%
42	LT	SBA KONCERNAS UAB*	Others	216,8	322,6	49%	8,8	8,8	1%	3,800	4,200	11%
43	LV	NESTE LATVIJA SIA	Service station operator	261,9	300,5	15%	3,2	5,6	75%	60	57	-5%
44	LV	SADALES TIKLS AS	Energy supply	310,8	300,4	-3%	-19,3	0,8	104%	2,543	2,542	0%
45	LT	GIRTEKA LOGISTICS UAB	Transport	159,2	294,6	85%	5,9	4,9	-16%	126	193	53%
46	LT	ORION GLOBAL PET UAB	Production general	296,7	292,9	-1%	23,4	7,4	-68%	129	126	-2%
47	LV	AIR BALTIC CORPORATION AS	Transport	290,1	279,1	-4%	-119,6	-31,3	74%	1,067	1,135	6%
48	LV	SAMSUNG ELECTRONICS BALTICS SIA	Wholesale	204,8	277,5	35%	2,9	6,9	141%	63	60	-5%
49	LV	RIGAS KUĢU BŪVĒTAVA AS	Production general	141,3	264,1	87%	0,1	0,2	182%	619	687	11%
50	LT	INTER RAO LIETUVA UAB*	Energy supply	266,2	259,9	-2%	17,7	16,8	-5%	18	23	28%

* consolidated data

Sources: Coface, financial reports.

Baltic Top 50 – Country Analysis

The economic crisis hit the Baltic countries hard back in 2009, but in 2012 all three states reported sound growth ranging from 3.3% in Estonia to 5.1% in Latvia. The inflation rate remained stable between 2% and 4%. Unemployment which had risen dramatically during the crises, has decreased over in the past few years.

In 2012, the Coface Baltic Top 50 companies generated turnover of 36 billion EUR (2011: 33 billion EUR). Net profit on the other hand decreased from 1.6 billion EUR to 487 million EUR. More than 190,000 people were employed by them (+3% compared to 2011).

The total revenue of the biggest companies in the Baltic region increased by 7.6% year-on-year to approximately 36 billion EUR in 2012. Almost 70% was contributed by 29 Lithuanian companies in the ranking. Although Latvia has the highest number of registered companies in the region (197,000 compared to 170,000 in Lithuania and only 80,000 in Estonia), only twelve Latvian companies managed to get into the Top 50 (turnover of 6.4 billion EUR). Nine out of 50 companies are Estonian. They earned 4.4 billion EUR in 2012.



The biggest increase in turnover was reported by Latvian companies: From 2011 to 2012, it rose by 13%. The average growth rate of a Latvian company in the Baltic Top 50 was almost 18%, whereas Estonian and Lithuanian companies in this ranking reported growth rates of only 13% and 9%, respectively.

Over 190,000 people were working for one of the Top 50 companies in 2012. An additional 5,400 people were hired (+3%). The biggest employer within this ranking is Lithuanian Vilnius Prekyba UAB with almost 33,000 employees. Although Latvia still shows the highest unemployment rate in the region (14.9%), its top companies increased their staff by over 7.4%. Estonian companies are the most cautious (+1.8%), when hiring people.

THE TOP COMPANIES

Unsurprisingly, the Top 10 is dominated by Lithuanian companies. Only three companies within the Top 10 are Latvian. The Lithuanian oil and gas giant, Orlen Lietuva AB stands out as the largest business in the ranking with a total turnover of 6.3 billion EUR in 2012 compared to 5.9 billion EUR in 2011 (+7%). Vilnius Prekyba UAB (Lithuania) ranks second with a turnover of 2.8 billion EUR (+8%). The third biggest Baltic company is Maxima Grupe UAB (turnover of 2.4 billion EUR, +5%), followed by Lithuanian Maxima LT UAB (turnover of 1.4 billion EUR, +3%). The only non-Lithuanian company within the first five is Estonian Ericsson Eesti AS. It achieved a turnover of 1.3 billion EUR (+7%). Uralchem Trading SIA, the biggest Latvian company, ranks 6th.

The top performers this year come from Estonia: Neste Eesti AS showed the highest increase in profit (+97%). A moderate increase of 5% was reported by Eesti Energia AS, but the Estonian energy supplier achieved the highest return on revenue¹ in the ranking. The “biggest loser” within the ranking is Lithuanian Visagino Atomine Elektrine UAB with a net loss of 226 million EUR.

1. LITHUANIA

Economy in 2012

Having experienced one of the world's biggest contractions in activity in 2009, Lithuania began an impressive recovery in 2011 thanks to a rebound in exports. However, growth sagged in 2012 due to weakening external demand and the rising cost of financing the external debt in the wake of the sovereign debt crisis in the eurozone. Whereas fewer companies became insolvent in the neighbouring Baltic countries, insolvencies increased by over 5% in Lithuania. Private consumption, although supporting growth, was hit hard by the 2009 crisis and still has not returned to its pre-crisis level.

Lithuania in the Ranking

The economic situation in Lithuania isn't fully reflected within the Top 50 ranking. Lithuania was home of the biggest and most numerous companies in the Baltics (29). A turnover of 25 billion (+6.5%) was contributed by Lithuanian market players in this ranking (almost 70%).

The overall net profit of Lithuanian companies decreased to less than half of 2011 (from 535 million EUR to 256 million EUR). This can be explained by the huge loss of

¹ Return on revenue: Net profit divided by turnover.

TABLE 2:

Coface Baltic Top 50 – Country comparison

	Top 50 Turnover (mEUR)	Top 50 Net profit (mEUR)	Top 50 Employment	Country Risk Assessment	Population (Mio.)	GDP/Capita (EUR)	GDP growth (%)	Inflation (%)	Unemployment rate (%)	Labour force (Mio.)
Lithuania	24,825	255.0	148,983	A4	3.01	10,899	3.4	3.2	13.2	1.28
Latvia	6,397	113.8	17,045	B	2.04	10,943	5.1	2.3	14.9	0.89
Estonia	4,449	118.5	24,564	A3	1.34	13,172	3.3	3.9	10.2	0.62

Sources: National Statistical Offices of the respective country, Coface.

the energy supplier Visagino Atomine Elektrine UA (rank 9). The reorganization of the company alone led already to a net loss of 225.5 million EUR. A different development is showing the number one of the Baltic Top 50: Orlen Lietuva AB reported a turnover of 6.3 billion in 2012 (+7%) and its increased net profit considerably. From a net loss in 2011, the company earned – thanks to ambitious cost optimization – a net profit of 63 billion EUR in 2012.

TABLE 1:

Top 5 Companies in Lithuania

	Company name	City
1.	Orlen Lietuva AB	Mazeikiai region
2.	Vilniaus Prekyba UAB	Vilnius
3.	Maxima Grupe UAB	Vilnius
4.	Maxima LT UAB	Vilnius
5.	Koncernas Achemos Grupe UAB	Vilnius

Lithuanian companies are not only the most numerous in this ranking, but also employ the highest number of people. Almost 150,000 work in one of the 29 top-ranked Lithuanian companies (+2.7%). That's more than 5% of the total Baltic labour force.

2. LATVIA

Economy in 2012

Following a contraction of GDP of more than 20% over 2008-09, Latvia has had the highest growth rate in Europe in 2011-12. Insolvencies decreased by 3.6% leaving Latvia with the lowest insolvency rate (0.45%) in the region. The unemployment rate shows a significant drop: While exceeding 20% in 2010, the unemployment

rate declined to 13% in 2012. Taking 2013 in consideration, a slight increase in inflation is expected. Latvian exports will withstand the contraction in European activity. Latvia's main trading partners achieved the best economic performances in the economic region (Russia, the Baltic countries, Germany and Sweden).

Latvia in the Ranking

Latvian companies did very well in this year's ranking. The economic growth of the country is reflected in their above-average turnover increase (13%). Among the Top 10 performers within the ranking with the highest increase in turnover are five Latvian companies. In total, the turnover of Latvia's Top 12 companies rose from 5.7 billion EUR to 6.4 billion EUR.

The biggest Latvian company is Uralchem Trading SIA, one of the largest producers of nitrogen and phosphate fertilisers in Russia and the CIS. It achieved a turnover of 1.2 billion EUR (+19%) and a net profit of 35 million EUR. Second is Latvenergo AS, a Riga-based energy supplier that also reported the highest return on revenue (4.8%) among Latvian top companies.

TABLE 3:

Top 5 Companies in Latvia

	Company name	City
1.	Uralchem Trading SIA	Riga
2.	Latvenergo AS	Riga
3.	Elko Grupa AS	Riga
4.	Orlen Latvija SIA	Riga
5.	Maxima Latvija SIA	Ķekavas nov., Ķekavas pag

More than 17,000 people were employed by the twelve

Latvian companies represented in this year's ranking. Compared to 2011, this means an increase in staff of over 7% which is the highest in the region. The biggest employer is Maxima Latvija SIA with 7,843 employees in 2012.

3. ESTONIA

Economy in 2012

Estonia shows the highest growth rate in the region thanks to dynamic household consumption and investment which will continue to drive growth in 2013. The government's steps to support activity and boost employment in 2011 have proved effective: while unemployment hit 20% of the economically active population in 2010, at the end of 2012 it decreased to around 10%. In 2013 this marked improvement will generate a renewed rise in household consumption facilitated by a real rise in salaries of 1.2%, in pensions of 1.8% and a revival in credit started in 2012. Meanwhile, low interest rates will allow investment to remain dynamic.

Estonia in the Ranking

Although the nine Estonian companies contribute only the lowest amount of turnover, small country in the North is home to top performers: Neste Eesti AS, an oil and gas company, had the highest growth rate (97%) of

all Top 50 companies. The average growth rate of all Estonian companies in the ranking was 13%. They reported a turnover of in total 4,449 million EUR (+7%) and a net profit of 118 million EUR in 2012.

Estonian top companies are bigger when it comes to employees than Latvian. In 2012, 25,564 people were employed (+1.8%) representing almost 4% of the total labour force in Estonia. Eesti Energia AS and Talling Grupp AS belong to the Top 10 employers in the region.

TABLE 4:
Top 5 Companies in Estonia

	Company name	City
1.	Ericsson Eesti AS	Tallinn
2.	Orlen Eesti OU	Tallinn
3.	Tallink Grupp AS	Tallinn
4.	Eesti Energia AS	Tallinn
5.	Neste Eesti AS	Tallinn

Baltic Top 50 – Sector Analysis

Table 5 shows which account for most of the Top 50 companies in the Baltic region. Ranked by turnover, the oil and gas sector is the biggest. Most companies, however, are represented within the energy supply and wholesale sector.

Oil & Gas

When ranked by turnover, the oil and gas sector was the top performer in 2012. Baltic oil and gas giants generated a turnover of approximately 8.5 billion EUR (+10.3%). This sector also reported the highest average growth rate (+29%). On the other hand, staff numbers were reduced by 6.6% in 2012.

Also, the top company from of this study comes from the oil and gas sector: Orlen Lietuva AB (Lithuania) was responsible for 6.3 billion EUR (almost 75% of the whole sectorial turnover). The members of the Polish Orlen Group belong to the Top 5 companies in all of the Baltic States and showed a strong performance in 2012.

Holdings & Others

The sector with the second highest turnover (7.4 billion EUR) in this top 50 listing is “Others”, including holding companies like Vilniaus Prekyba UAB (ranked 2nd, Lithuania) and Maxima Grupe UAB (ranked 3rd, Lithuania). Vilniaus is the holding company of both Maxima Grupe UAB and the retailers Maxima LT UAB, Maxima Latvija SIA and Maxima Eesti OU.

This sector performed very well in 2012: turnover increase of 9.6% and the best average return of revenue (3.4%) of all sectors. The six holding companies employed almost 75,000 people in 2012 (+5.3%). That is almost 3% of the labour force in the Baltics.

Energy supply

When ranked by total number of companies, the sectors energy supply and wholesale share position 1 in the Top 50 ranking. The eight energy companies present in the study faced a difficult environment in 2012. Turnover decreased by 1.8%. It is also the only sector with an average net loss (-106 million EUR) and a negative average return on revenue (-0.3%). This situation is also reflected in a reduction of staff in 2012 (-6%).

Wholesale & Retail

The wholesale sector is represented with eight companies, the retail sector with seven and a turnover of 4.1 billion EUR each. Both sectors faced difficulties due the economic crisis. In Lithuania, insolvencies rose considerably in these two sectors in 2012 (by 14% compared to 2011). Nevertheless, the companies within the Baltic Top 50 show good results. They increased their turnover by 11.5%.

Two wholesale companies succeeded to get into the Top 10: Uralchem Trading SIA (6) and Elko Grupa AS, Riga-based IT product wholeseller (10). Both companies reported very good figures in 2012. Uralchem increased turnover by 19% and almost doubled their net profit and is herewith one of the top performers in the Top 10. Elko increased both turnover and net profit by almost 30%.

TABLE 5:

Coface Baltic Top 50 – Top 10 sectors by turnover

	Top 50 Turnover (mEUR)	Number of companies
Oil & Gas	8,416	5
Holdings & Others	7,368	6
Energy Supply	4,161	8
Retail	4,096	7
Wholesale	4,087	8
Transport	2,438	6
Production	2,017	5
Telecommunications	1,331	1
Service station operator	1,022	2
Food industry	736	2

Sources: Coface, financial reports.

Transport

Six transport companies with a total turnover of 2.4 billion EUR are represented in the Baltic Top 50 ranking. The best ranked company here is Sanitex UAB (rank 17), the largest wholesale and logistics company in Latvia and Lithuania, with a turnover of 547 million EUR (+5%). The insolvency of Cargo and Go UAB was one of the five biggest insolvencies in Lithuania.

Production

Of the five production companies presented in the ranking, four reported a decline in net profit, although the overall turnover of the sector increased (+5.7%). Achema AB, a Lithuanian manufacturer of nitrogen fertilizers and chemical products, is ranked 13th and herewith the best company of this sector.

Telecommunications

The telecommunications sector is represented by one company only: Ericsson Eesti AS generated a turnover of 1.3 billion EUR in 2012 (2011: 1.2 billion EUR). The subsidiary of the Swedish telecommunications giant ranks 5th.

Service station operators

The two service station operators represented within our Baltics Top 50 listing had a very positive year in 2012. Both Lukoil Baltija UAB (rank 11) and Neste Latvija SIA (rank 43) increased their net profit by around 70%.

Food industry

The food industry is the sector with the lowest turnover in 2012 (approximately 740 million EUR). The best ranked company is Kauno Grudai AB ranked 27 (Lithuania).

Sources

Coface Central Europe, national statistical offices, central national banks, financial reports of the respective companies.