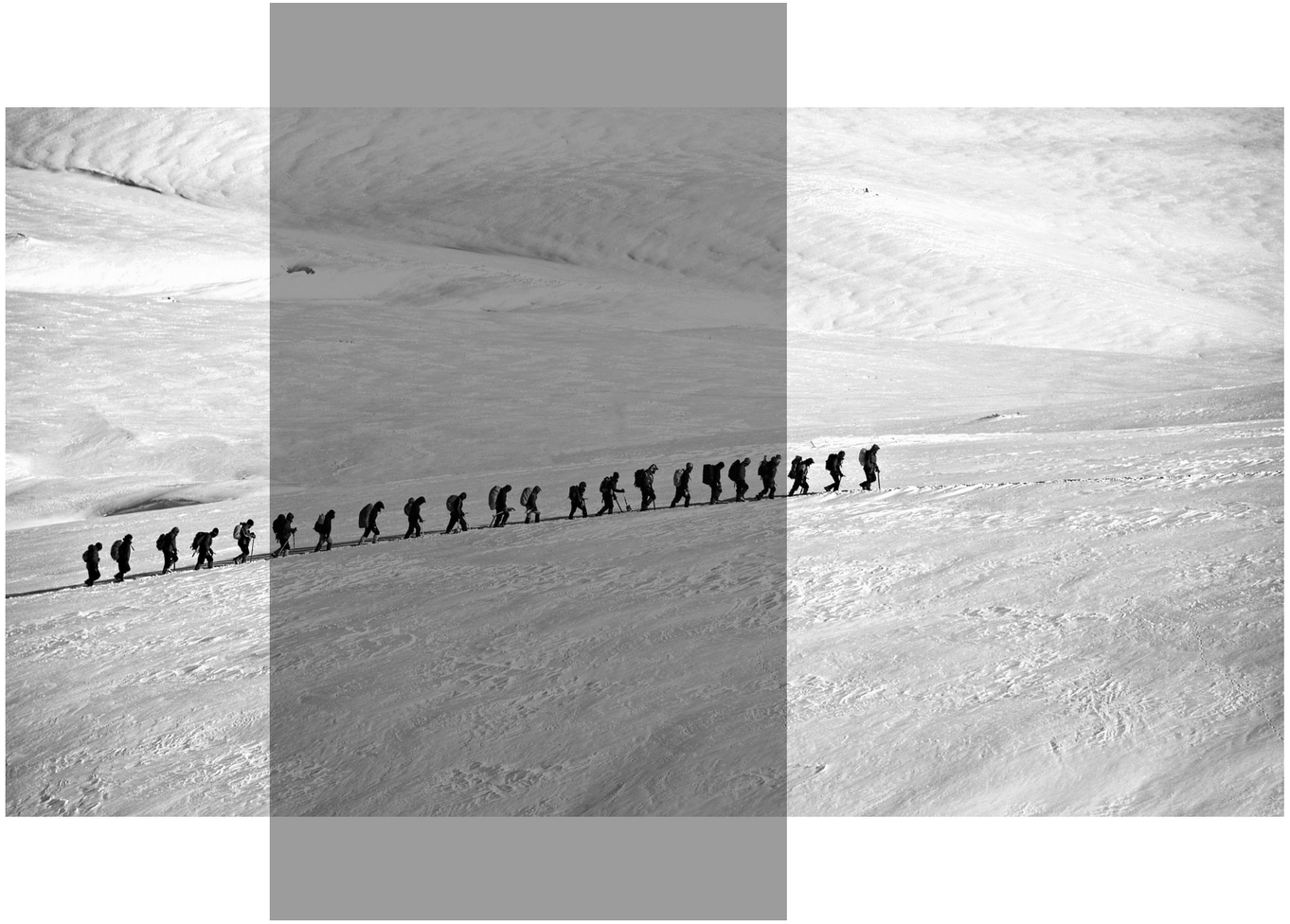
BACH GET INSIGHTS INTO 2023 DATABASE

February 2025

Towards a more harmonized and friendly database.

ERICA Working Group
eccbso
European Committee of Central Balance Sheet Data Offices



BACH is a database with aggregated and harmonized annual accounting data on non-financial enterprises

1. OVERVIEW ON THE BACH DATABASE

1.1 Description of BACH database

› **Size class:** 4 size classes (SME, small, medium and large)

› **Samples:** Variable and sliding samples

› **NACE industry:** 17 sections and about 80 divisions

› **Time span:** from 2000 onward

› **Variables:** Balance sheet items (41), income statement (22), items from the notes (3) and economic and financial ratios (29)

› **Statistical measures:** coverage rates, some absolute values, number of companies and employees, weighted mean and quartiles (first, median and third)

› **12 European countries:**

› **In a near future:**

Warning: Substantial data harmonization efforts have been developed in order to increase the reliability of cross-country comparisons. However, differences in accounting standards and national sample characteristics persist which might impact on the results provided in this document. Information on the accounting deviations and the sample characteristics in each country are available on the BACH website.

1. OVERVIEW ON THE BACH DATABASE

1.2 National databases

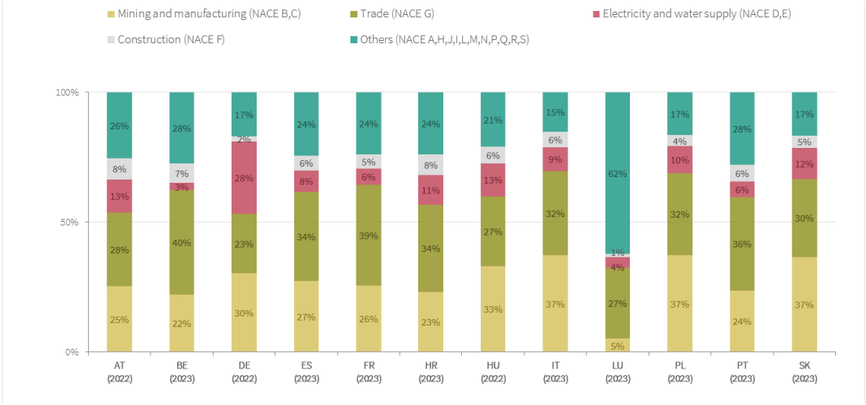
Graph 1 - Coverage (weight of national samples in the total population)

(Total companies without K642 and M701, all sizes)

For Poland, data is exhaustive for companies with more than 9 employees that deliver full balance sheet statement. Further, the coverage ratio is calculated for Z0 sector (without K642, but including M701).

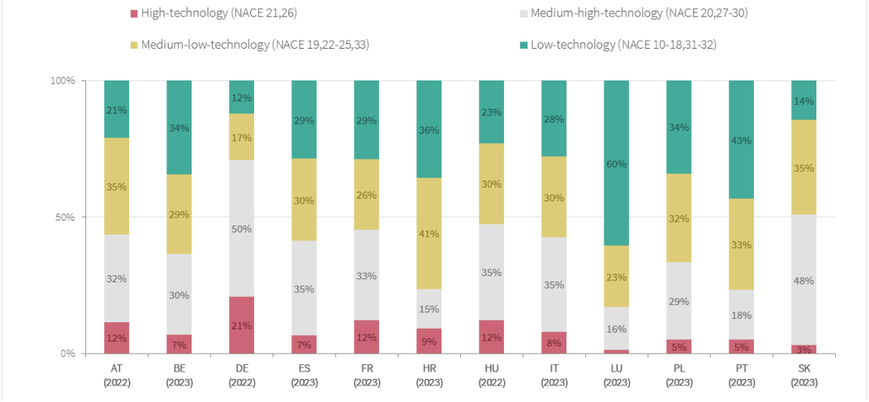
Graph 2 - Industry structure (distribution of Turnover sector of activity)

(All sizes)



Graph 3 - Distribution of Manufactoring (NACE C) Gross value added by technological intensity

(All sizes)



1. OVERVIEW ON THE BACH DATABASE

1.3 Reference year

The “Overview on the BACH database”, presented in the next points, is based on the latest available data in BACH database:

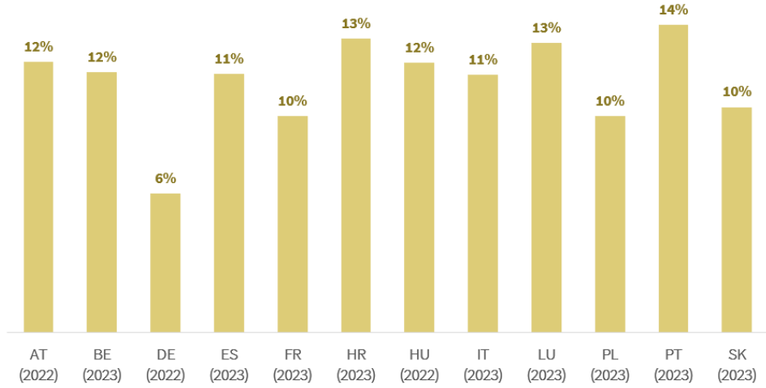
- 2022
- 2023

1. OVERVIEW ON THE BACH DATABASE

1.4 Profitability ratios

Graph 4 - EBITDA on Net turnover (R33), weighted mean

(Total companies without K642 and M701, all sizes)



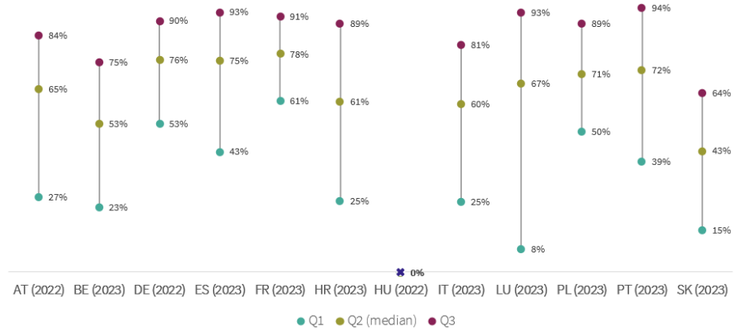
BACH items considered:

EBITDA (numerator) = I1+I2+I3+I41+I42-I5-I6-I7-I81-I83

Net turnover (denominator) = I1

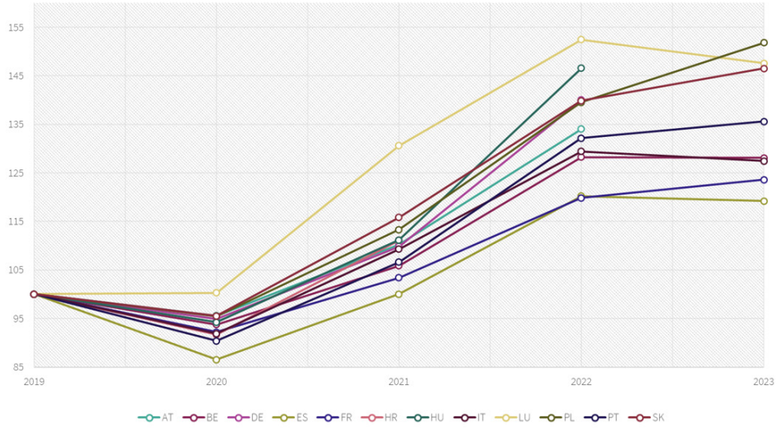
Graph 5 - Employee expenses over Gross value added (R42), quartiles

(Total companies without K642 and M701, all sizes)

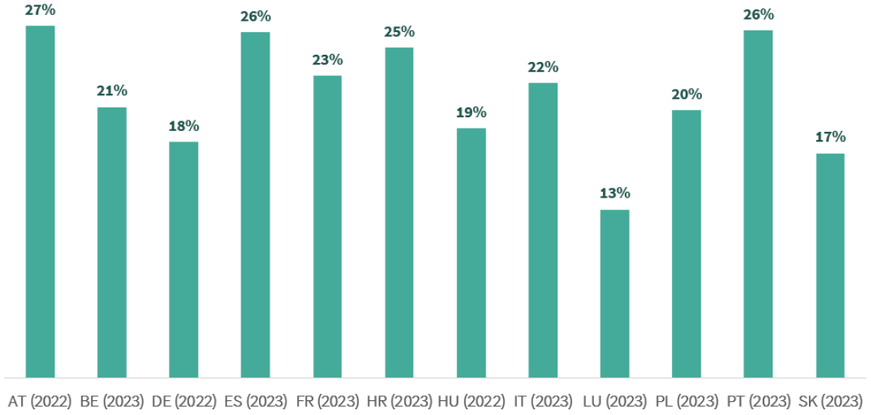


No quartiles available for HU.

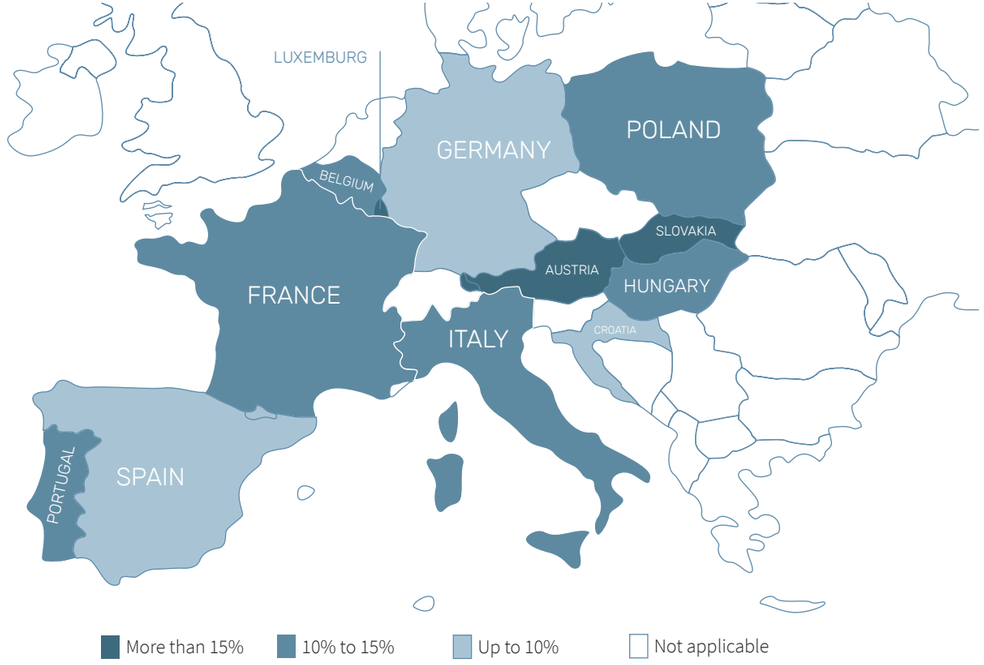
Graph 6 - Turnover chain index (sliding sample)
(Total companies without K642 and M701, all sizes) (2019=100)



Graph 7 - Gross value added on Net turnover (R31), weighted mean
(Total companies without K642 and M701, all sizes)



Graph 8 - Return on equity (R38), weighted mean
(Manufacturing – NACE C, all sizes)



2022: AT, DE, HU | **2023:** BE, ES, FR, HR, IT, LU, PL, PT, SK

1. OVERVIEW ON THE BACH DATABASE

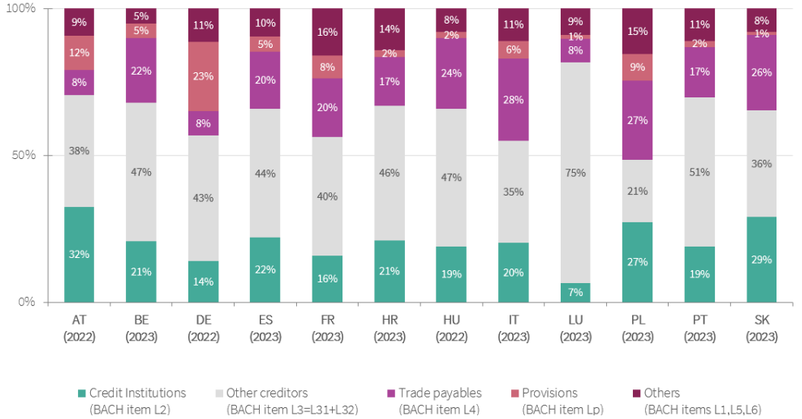
1.5 Financing ratios

Graph 9 - Financial autonomy (Equity/Assets) by enterprise size, weighted mean
(Total companies without K642 and M701)

	Total	SME	Large
AT (2022)	36%	36%	36%
BE (2023)	42%	46%	37%
DE (2022)	32%	40%	31%
ES (2023)	47%	56%	42%
FR (2023)	34%	37%	32%
HR (2023)	37%	29%	44%
HU (2022)	43%	48%	38%
IT (2023)	37%	40%	36%
LU (2023)	34%	40%	25%
PL (2023)	48%	53%	46%
PT (2023)	43%	45%	39%
SK (2023)	38%	34%	44%

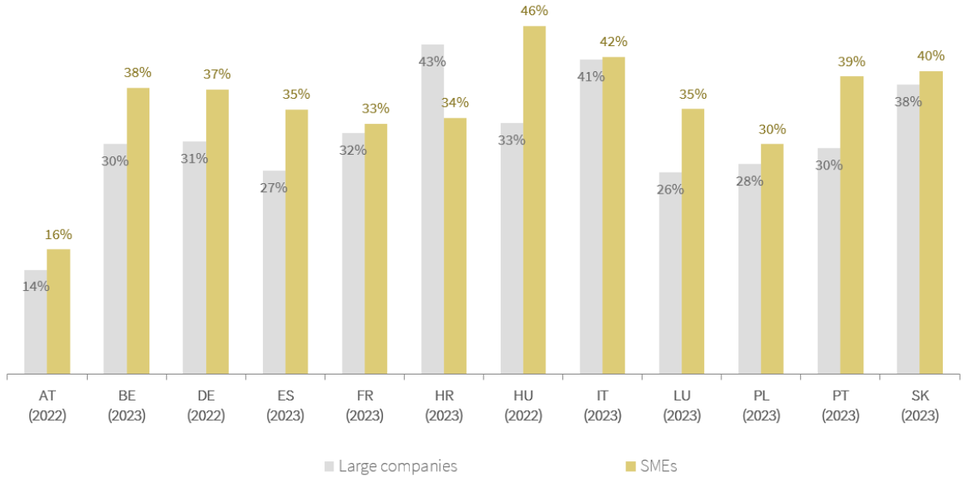
2022: AT, DE, HU | **2023:** BE, ES, FR, HR, IT, LU, PL, PT, SK

Graph 10 - Financing structure (in percentage of Total liabilities), weighted mean
(Total companies without K642 and M701, all sizes)



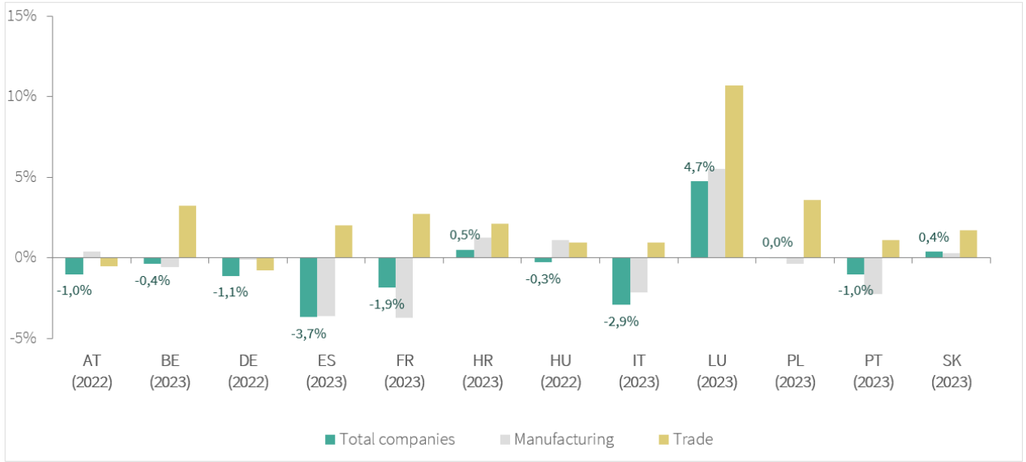
The BACH item L3 "Other creditors" includes the other financial creditors component (BACH item L31) and the other non-financial creditors component (BACH item L32). "Others" category includes Bonds and similar obligations (BACH item L1), Payments received on account of orders (BACH item L5) and Deferred liabilities (BACH item L6).

Graph 11 - Current debt on Total balance sheet (R16), by size, weighted mean
(Total companies without K642 and M701)



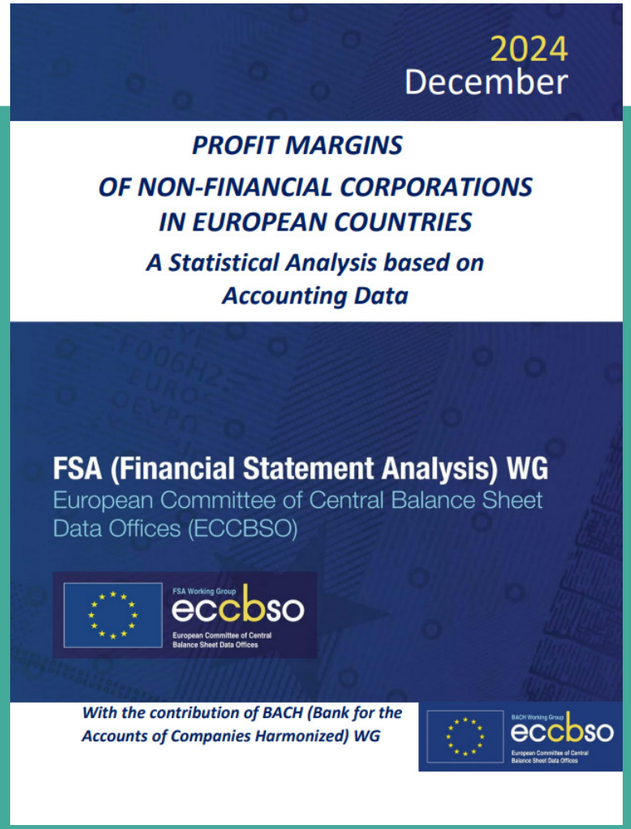
BACH items:
Current debt (numerator) = L11+L21+L311+L321+L4+L5+L61
Total balance sheet (denominator) = A
For AT data, items L311 and L321 are not available. In that sense, the numerator includes only items L11, L21, L4 and L5.

Graph 12 - Net trade credit financing (Trade payables - Trade receivables), weighted mean
(Total companies without K642 and M701, Trade - NACE G and Manufacturing - NACE C, all sizes)



2. PUBLICATIONS

2.1 FSA/BACH joint study: Profit margins of non-financial corporations in European countries



This study analyzes the profit margins of non-financial corporations in five European countries (namely, France, Italy, Poland, Portugal, and Spain) over the period 2000-2022.

The key findings of this study can be summarized as follows:

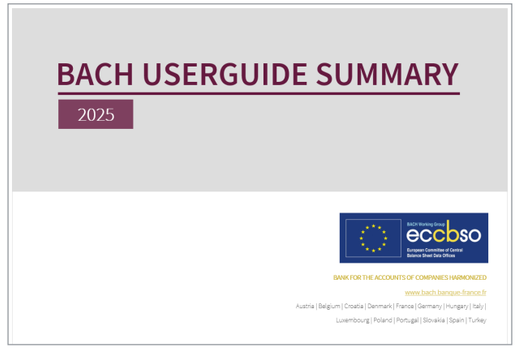
i) The median of margins dropped during the global financial and sovereign debt crises, while they have been mostly increasing since 2013; they were preserved at the Covid outbreak in 2020, spiked in 2021 and stabilized in 2022 at high levels;
ii) It is interesting to note the resilience of firms' margins and growth of margins at the outbreak of the Covid pandemic in 2020.
iii) Regarding firms' size heterogeneity, large firms seem less affected by uncertainty about the evolution of their margins with respect to firms of smaller size.
iv) Margins and their growth are heterogeneous across sectors of activity.

This study also includes two boxes that contribute to enrich the analysis. The first box presents some macroeconomic indicators for the countries under analysis. The second box identifies vulnerable groups of firms in the context of rising interest rates (that started in 2022).

To know more pelase refer to the complete study, available here.

3. BACH PRODUCTS

Userguide
Covers the methodology underpinning the data following a user-friendly approach. It supports the process of observing variables to obtain the extra information needed to compare data



BACH Get Insights
Yearly portfolio of selected economic and financial indicators enabling to get easily a picture of the most recent situation of European companies

4. GRAPH NOTES

GRAPH 1
This graph evidences, for each country, the coverage rates regarding the number of firms and the number of employees (when available).
The coverage rate is determined by comparing the sample of non-financial corporations recorded in the database with the total population.
When the coverage rate is equal to 100%, it suggests that the data available in the database covers the whole population.

There are 4 countries (Croatia, Hungary, Italy, Portugal) with full coverage (both regarding the number of firms and the number of employees).
On the other hand, Germany, Slovakia and Poland present coverage rates (in terms of number of firms) below 10%.

GRAPH 2
This graph highlights, for each country, the weight of each business sector (according to NACE classification) in the total turnover.
In all countries, Trade (NACE G) and Mining and manufacturing (NACE B,C) sectors have a significant representativeness in the total turnover (on average, more than 50% together), except in Luxemburg (for which the category "Other sectors" prevails with 62%).

GRAPH 3
This graph shows, for each country, the distribution of the Gross value added (for the Manufactoring sector - NACE C) based on 4 levels of technological intensity (high, low, medium-high, medium-low).

In Luxemburg and Slovakia, a high level of technological intensity is null or residual, whereas Austria, France and Hungary register the highest share (12%). On the other side, Luxembourg and Portugal exhibit the highest percentages of low technological intensity.

GRAPH 4
This graph points out, for each country, the average operating margin (before the impact of of interests, taxes, depreciations and amortizations) as a percentage of net turnover (i.e., sales of goods and services net of returns, deductions and rebates).

All countries show an average operating margin around 11% (on net turnover). Portugal record the highest value (14%) and Germany the lowest one (6%).

GRAPH 5
This graph illustrates, for each country, the distribution of staff costs (as a percentage of gross value added) by quartiles.

25% (75%) of companies have a ratio lower (higher) than Q1
50% (50%) of companies have a ratio lower (higher) than Q2
75% (25%) of companies have a ratio lower (higher) than Q3

Germany, Spain and France present the highest staff costs median values (above 75% of GVA). On the other hand, Belgium and Slovakia have the minimum median values (around 50% of GVA).
Also, Luxemburg shows the highest dispersion of staff costs, whereas Germany and France exhibit the lowest ones.

GRAPH 6
This graph aims to illustrate the impact of Covid-19 on turnover, considering 2019 as the base year (index value = 100).

Covid-19 pandemic had a negative impact on companies' turnover in 2020 (especially in Spain and Portugal, for which the negative impact was higher than 10%). However, this negative impact has been overcomed in the following years. In all countries, companies have already exceeded pre-Covid values between 2021 and 2022.

GRAPH 7
This graph discloses, for each country, the average gross value added as a percentage of net turnover.

Most countries present a gross value added between 20% and 30% of net turnover. The mininum value is observed for Luxembourg (13%) and the maximum for Austria (27%).

GRAPH 8
This map categorizes countries according to their average return on equity (i.e., percentage of net profit or loss for the period on total equity).
The return on equity ratio aims to assess the profitability derived from company's equity. It is often used as a measure of remuneration on the capital invested by partners or shareholders.

Croatia, Germany and Spain reveal a return on equity below 10%, while Austria, Luxembourg and Slovakia show a ratio higher than 15%. The remaining countries present a return on equity ratio between 10% and 15%.

GRAPH 9
This table discloses, for each country, the average percentage of total assets financed by equity.
An increase in financial autonomy suggests a reinforcement of companies' capitalization.

On average, companies show a financial autonomy ratio around 40%. Germany is the country with the minimum average percentage of total equity on total assets (32%), while Poland report the maximum value (48%).

GRAPH 10
This graph displays, for each country, the average weight of each financing source as a percentage of total liabilities.

In almost all countries, other financial (L31) and non-financial (L32) creditors represent the main financing source of companies (except for Poland), followed by credit institutions and trade payables. In Luxemburg, the weight of other creditors over total liabilities is even more significant (75%) when compared to other countries.

GRAPH 11
This graph exhibits, for each country, the average percentage of assets financed by current debt.

In most countries, the average current debt of companies on total balance sheet ranges between 30% and 40% (except for Austria).
Also, on average, the % of assets financed by current debt is higher for small and medium companies than for large companies (except for Croatia).

GRAPH 12
This graph depicts, for each country, the average difference between trade payables (BACH item R53) and trade receivables (BACH item R52), as a percentage of net turnover.
A positive (negative) value indicates that the percentage of trade payables on net turnover is higher (lower) than the percentage of trade receivables.

In terms of total companies, the difference between trade payables and trade receivables as a percentage of net turnover is positive in Croatia, Luxemburg (maximum value) and Slovakia, whereas null in Poland. In the remaining countries, the net trade credit financing is negative. The trend tends to be similar in most of countries when considering only the manufacturing sector. However, by focusing only on the trade sector, the difference between trade payables and trade receivables is positive in almost all countries (except in Austria and Germany).

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