

2026

New release:

PROFIT MARGINS OF NON-FINANCIAL CORPORATIONS IN EUROPEAN COUNTRIES

***A Statistical Analysis based on
Accounting Data***

FSA (Financial Statement Analysis) WG

European Committee of Central Balance Sheet
Data Offices (ECCBSO)



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

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Disclaimer

The views expressed in this paper are those of authors and do not necessarily represent those of the ECCBSO or those of the national central banks. The profit margin indicator used in this study was calculated with a harmonized definition. Nevertheless, it reflects national charts of accounts, which may not be completely harmonized.



1. Executive Summary

In 2024, profit-margin dynamics become increasingly divergent across European firms. Spain stands out as the only country recording consistent increases while Italy and Portugal remain broadly stable, and both France and Poland show general declines from 2023. Margin medians cluster within a relatively narrow 6%–8% band, yet distributions reveal a wider tail of low-margin firms in France and Poland. Across firm sizes, large firms typically display lower margins, though this pattern is less marked in Spain and Poland. Sectoral differences persist: Trade remains the least profitable sector and Mining the most profitable, with Agriculture displaying the greatest cross-country heterogeneity.

The Financial Statement Analysis Working Group (FSA WG) assesses developments in the Profit Margin (PM) of non-financial corporations (NFCs). The main indicator analysed in this release is based on accounting data and is measured as margin on sales, specifically as the ratio between EBITDA and sales. The analysis is conducted on a country basis and is broken down by sector of activity and company size.

This release presents the most recent trends in profit margins for European non-financial corporations using accounting information from financial statements up to 2024, the latest year available. The results relate to seven sectors and three firm-size categories (micro firms are excluded), across participating countries, namely France, Italy, Poland, Portugal, and Spain (details are provided in Annex II).

Evolution of profit margins over time (page 4-6)

- In 2024, median profit margins show increasing divergence across countries
- The distribution of firms across margin classes remains broadly unchanged in 2024

Dispersion of profit margins (page 7-8)

- In 2024, Spain records increases in profit margins across all quartiles
- Margin-growth dynamics weaken in 2024, in all countries except France

Balanced sample analysis (page 9)

- Median margins in 2024 remain tightly clustered across countries, falling within a narrow band of 6% to 8%, similarly to the unbalanced sample

Profit margins by firm size (page 10-11)

- In 2024, profit-margin patterns are heterogeneous by firm size. In several countries, large firms have lower median margins than smaller ones

Profit margins by firm sector of activity (page 12-13)

- In 2024, Trade remains the least profitable sector ($\approx 5\%$) and Mining the most profitable ($\approx 15\%$), while Agriculture is characterized by the widest cross-country disparities

Profit margins by firm size and sector (page 14-15)

- Across the largest sectors (in terms of number of firms), profit-margin differences by firm size remain limited

Profit margin transitions (page 16-17)

- In 2024, resilient firms (defined as those with an interest coverage ratio above 2) maintain broadly stable profit margins across countries
- Vulnerable firms (defined as those with an interest coverage ratio below 2) experience much higher volatility, with frequent transitions into negative margins

Share of firms with positive profit margin growth (page 18-19)

- In 2024, the share of firms with positive profit-margin growth falls in all countries, except France
- While size differences are generally limited, the 2024 pattern is heterogeneous across sectors

Box 1: EBITDA components (page 20-22)

- By 2024, the cost of goods sold continues its post-2022 decline across all countries, settling between 45% and 60% of sales

Box 2: Profit margin comparison with national accounts (page 23-25)

- Microdata-based and national accounts profit margins display similar patterns over parts of the period and divergences in others, with country-specific dynamics and declines relative to the base year in most cases.



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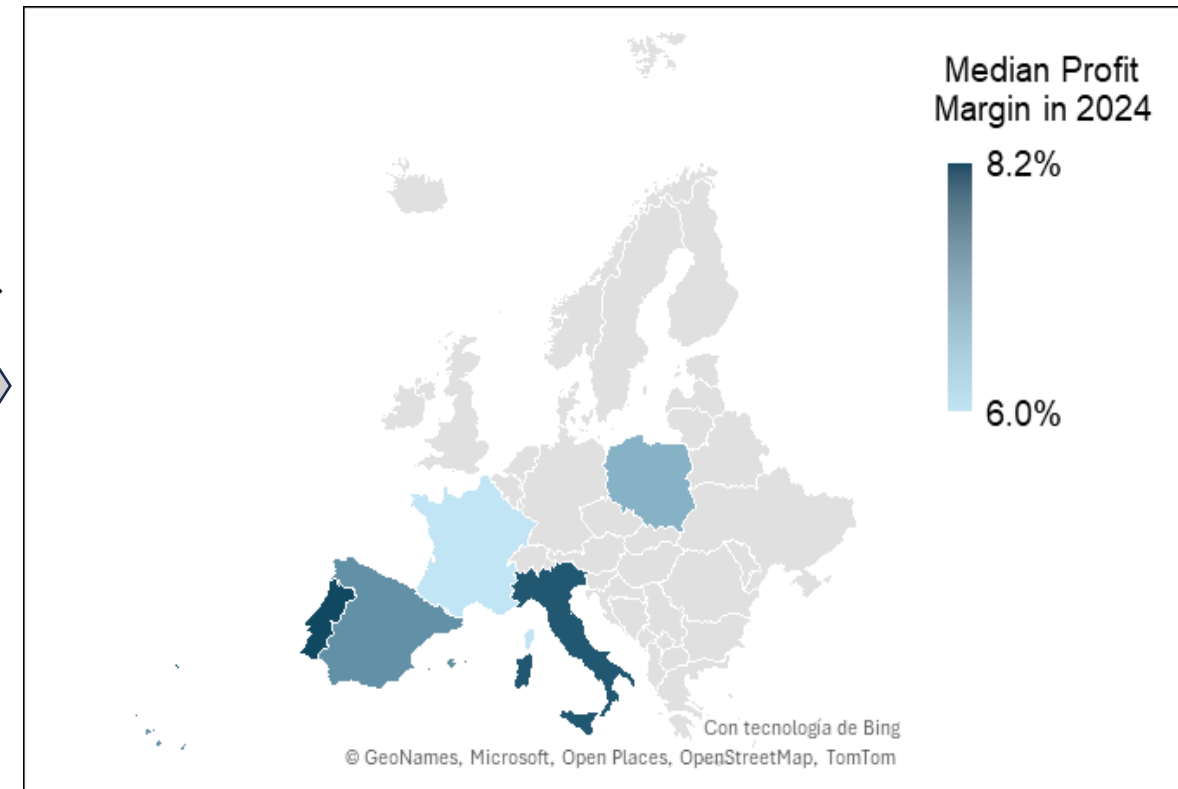
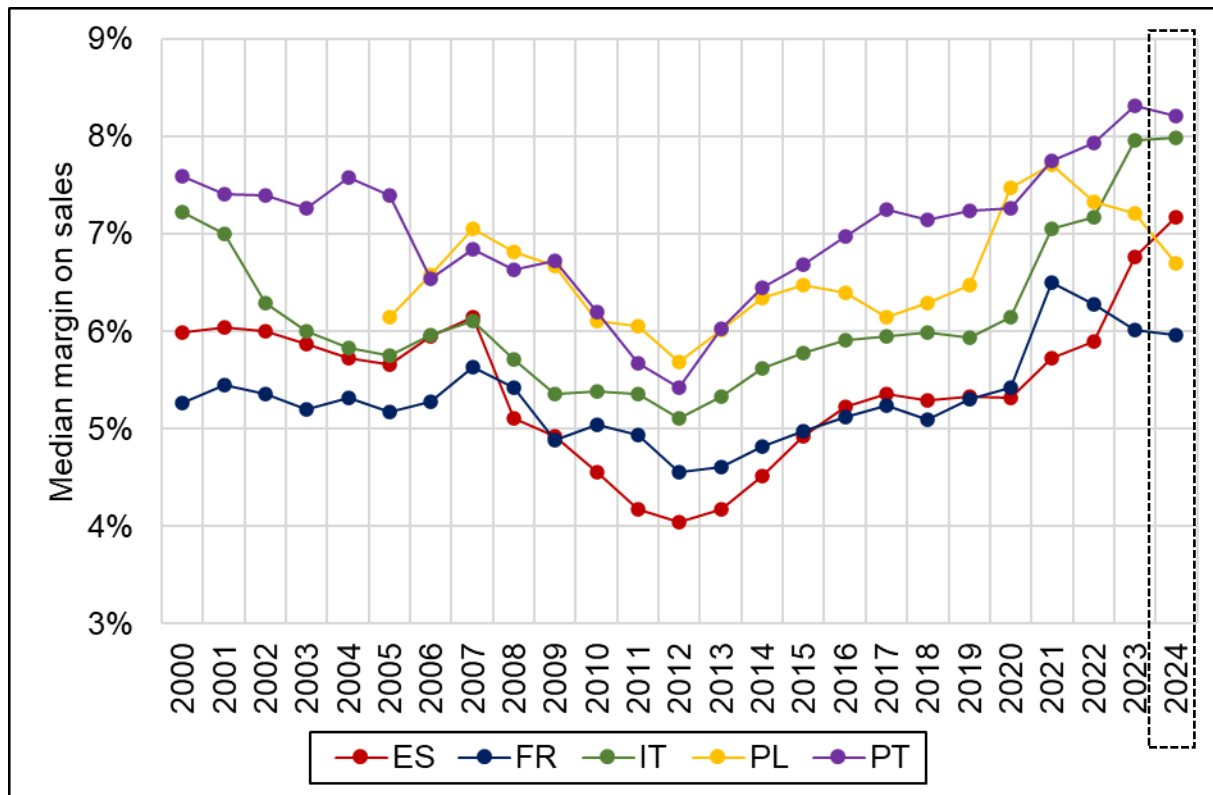
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2. Evolution of profit margins over time

In most countries, median margins follow a U-shaped pattern over time, declining until around 2012–2013 and then steadily recovering. However, since 2021 the evolution has diverged: in Spain, Portugal and Italy margins continue to increase, while in France and Poland they gradually decline after earlier peaks. In 2024, margins in Italy, France and Portugal remain broadly stable, in Spain they rise above 7%, while Poland experiences a decrease compared with 2023.

Figure 1: Median of margin on sales over time by country

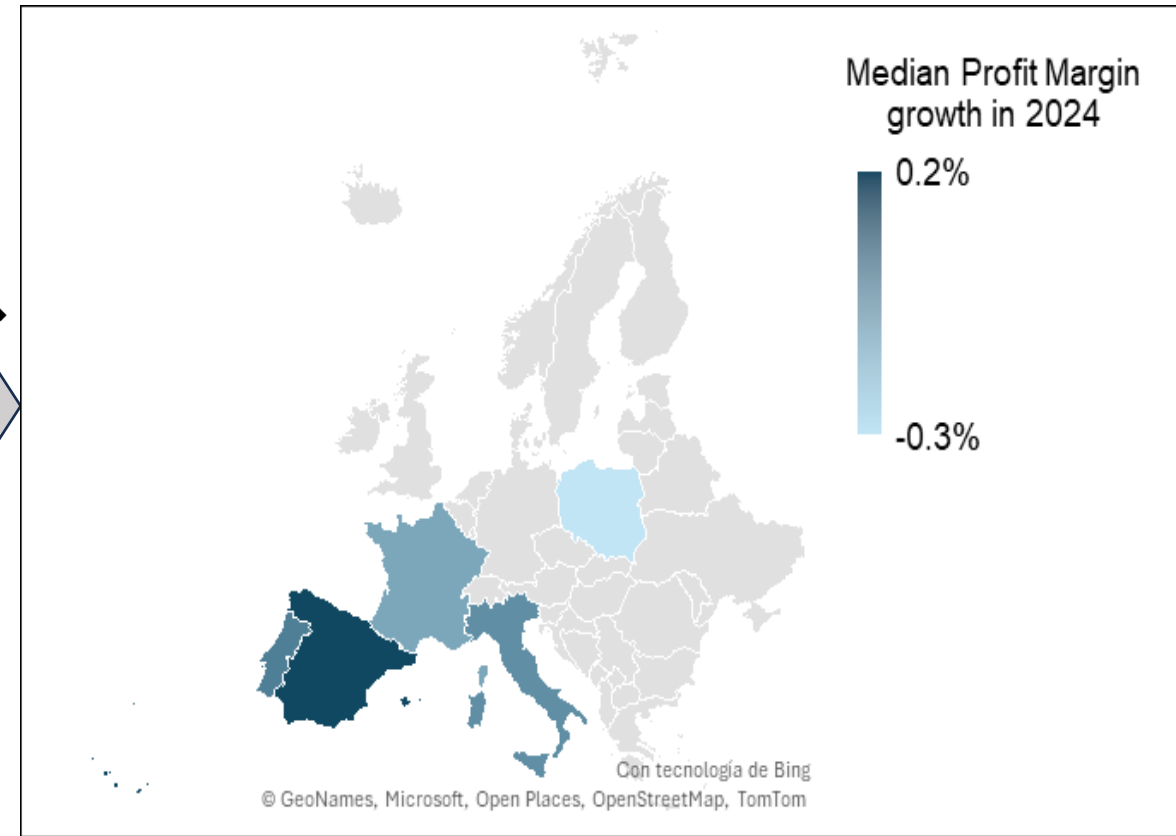
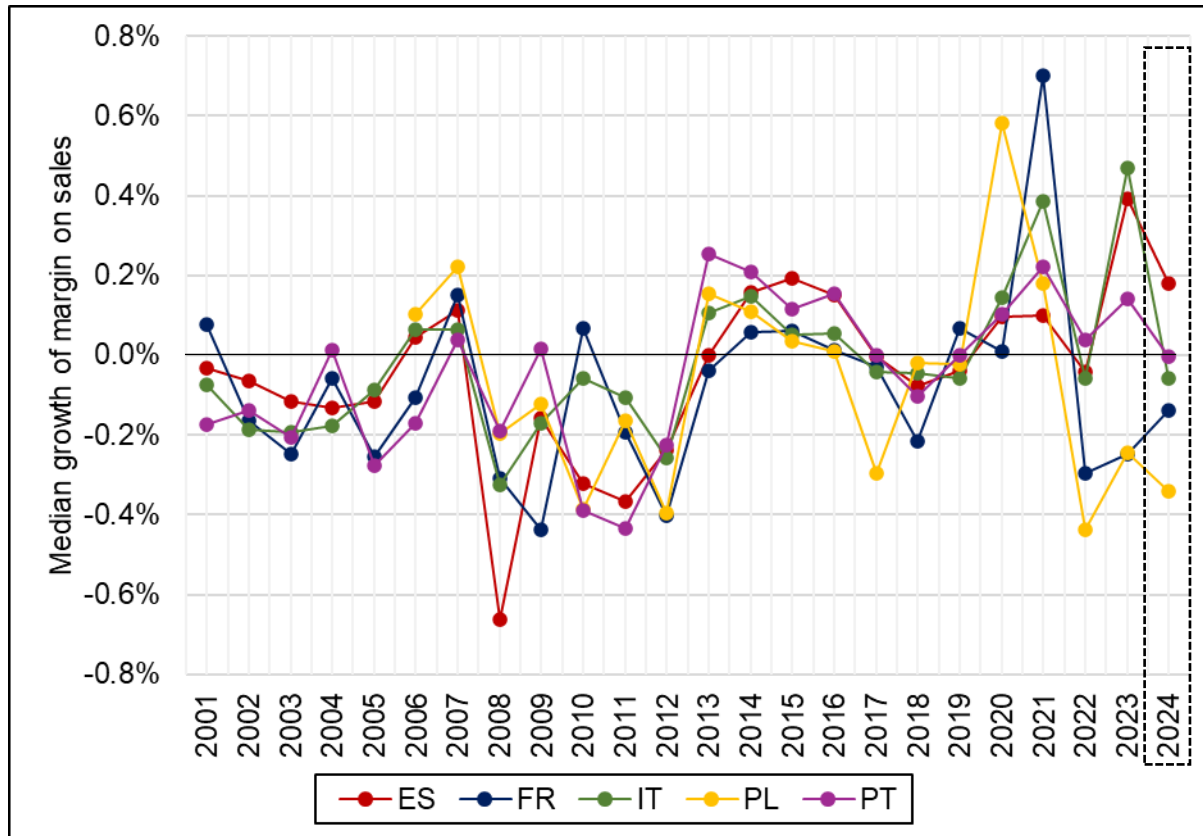




2. Evolution of profit margins over time

In recent years, the growth rates of margins have become increasingly uneven across countries. After 2021, Spain, Italy and Portugal generally maintain positive or near-zero growth, while France and Poland experience contractions. In 2024, this divergence is apparent: Spain records positive growth in margins, Portugal neutral growth, whereas France, Italy and Poland show negative or close-to-zero growth, highlighting the absence of a common trend and the prevalence of country-specific margin dynamics at the firm level.

Figure 2: Median growth of margin on sales over time by country





2. Evolution of profit margins over time

The distribution of firms across margin classes remains broadly stable between 2023 and 2024, with only minor shifts across countries. Portugal continues to show the largest share of corporations with profit margins above 7.5%. In 2024, firms reporting negative margins represent around 4-5% in Italy, Spain and Portugal, while the share exceeds 8% in Poland and France, indicating a more pronounced tail of low-performing firms in these two countries.

Figure 3: Percentage of corporations by class of profit margin in 2023

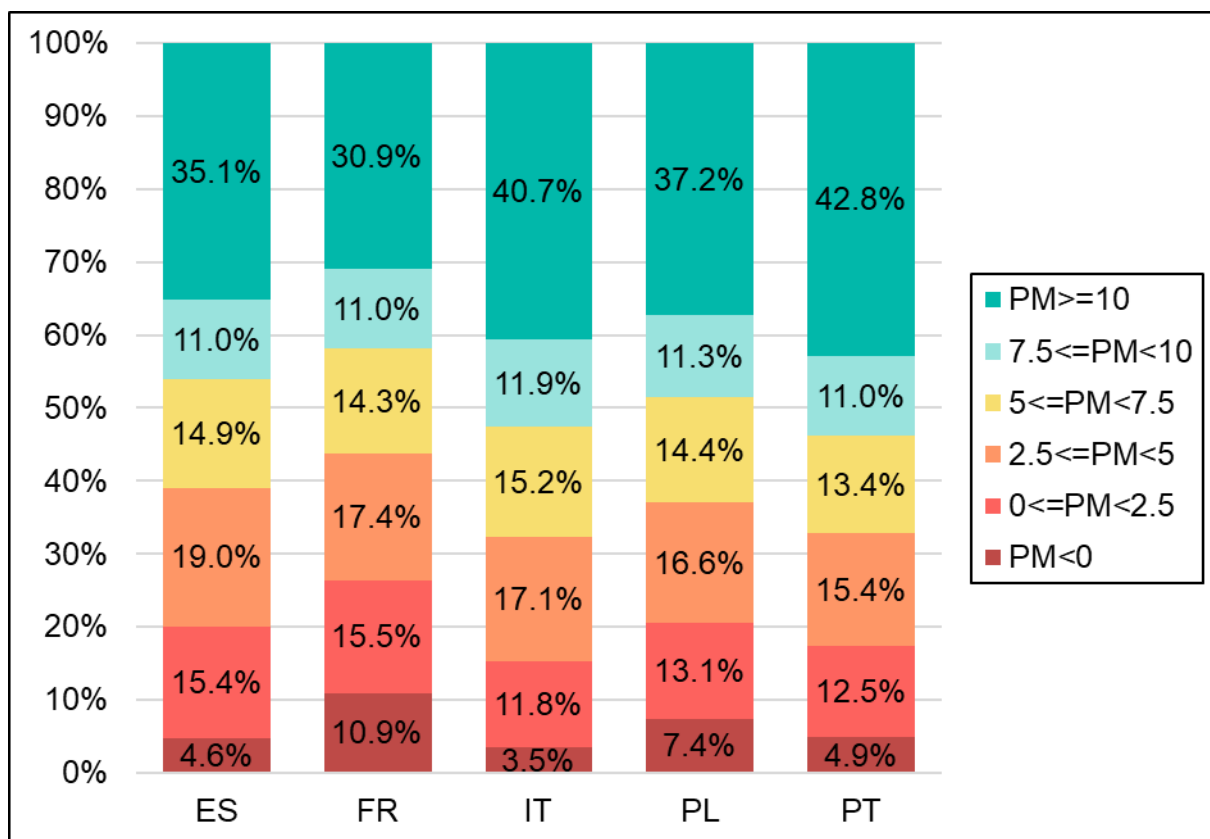
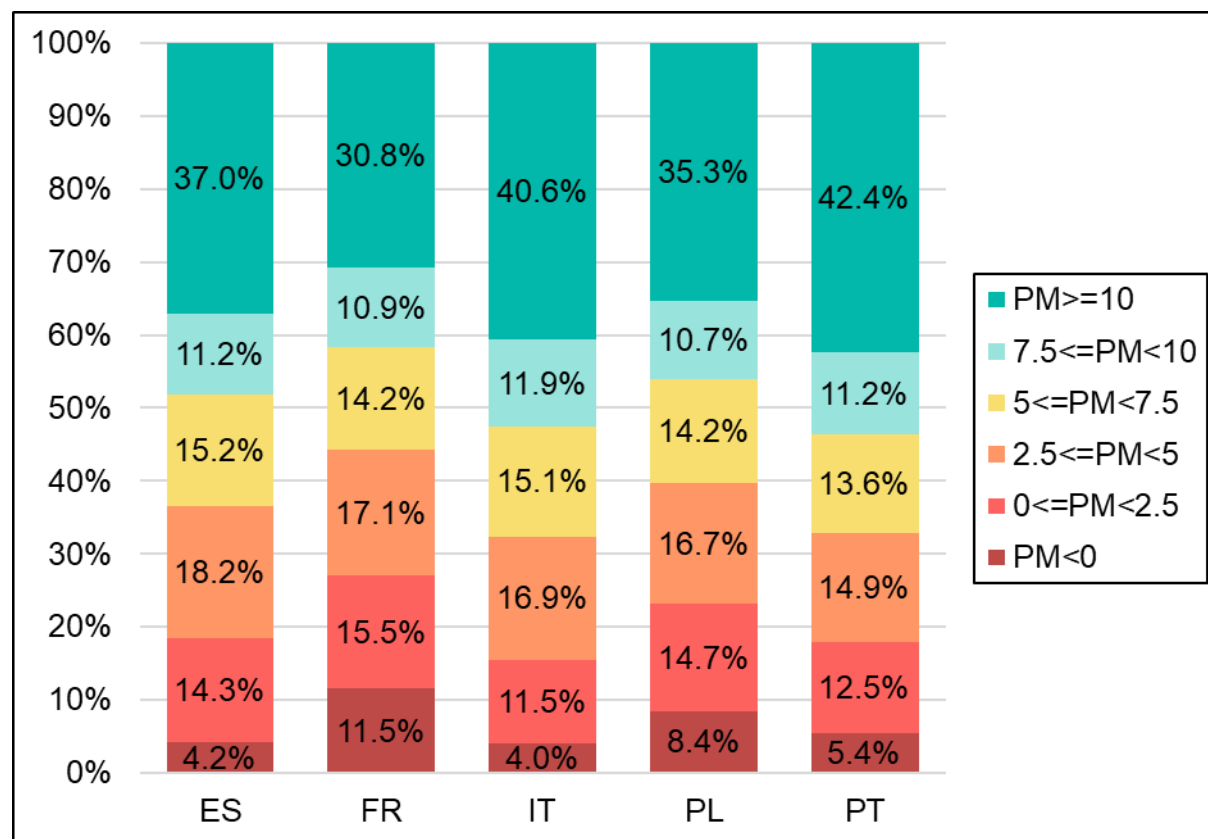


Figure 4: Percentage of corporations by class of profit margin in 2024

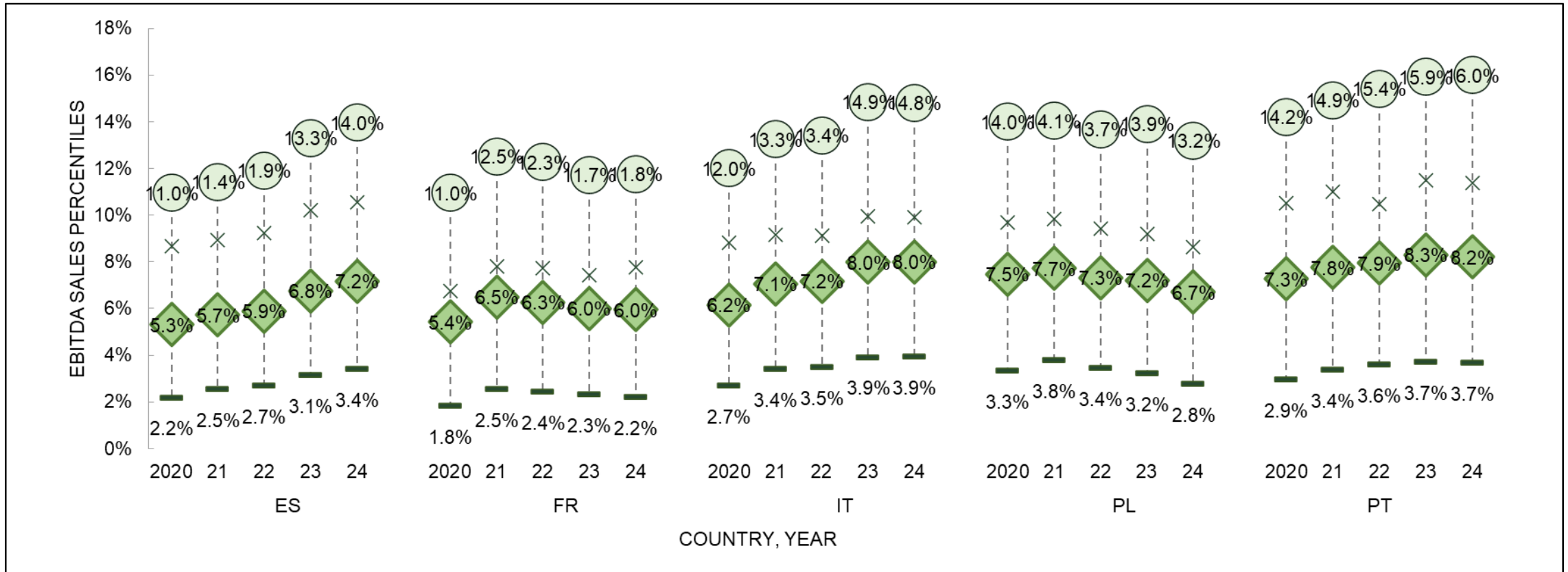




3. Dispersion of profit margins

Between 2020 and 2024, profit margins have improved across all quartiles in every country, except Poland. Throughout the period, the third quartile remains above 11% in all countries, while the first quartile consistently stays below 4%. In 2024, all quartiles of the distribution of profit margins increase in Spain, remain broadly stable in France, Portugal and Italy, and decline in Poland compared with 2023.

Figure 5: Quartiles of margin on sales between 2020 and 2024 by country



Legend:

- p(75): Third quartile --> 25% of the companies enjoy margins equal to or greater than the third quartile
- p(50): Median --> Half of the companies have margins higher than the second quartile; the other half, lower
- p(25): First quartile --> 25% of the companies have margins below the first quartile
- weighted mean

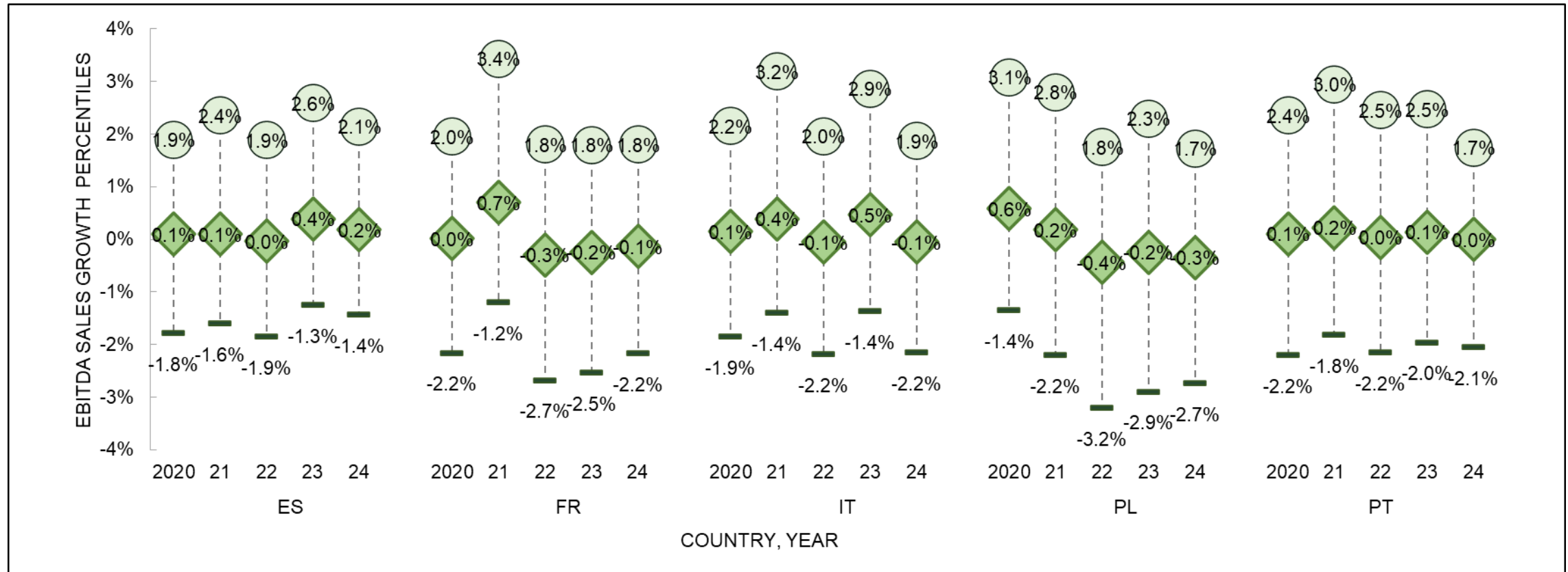


3. Dispersion of profit margins

In terms of margin growth, all quartiles have remained relatively stable over the period 2020-2024.

In 2024, however, most quartiles of margin growth decline for every country, except France. The third quartile shows values close to 2% growth, while the first quartile indicates negative growth in all countries, with values ranging between -1.3% and -3.2%.

Figure 6: Quartiles of margin-growth between 2020 and 2024 by country



Legend:

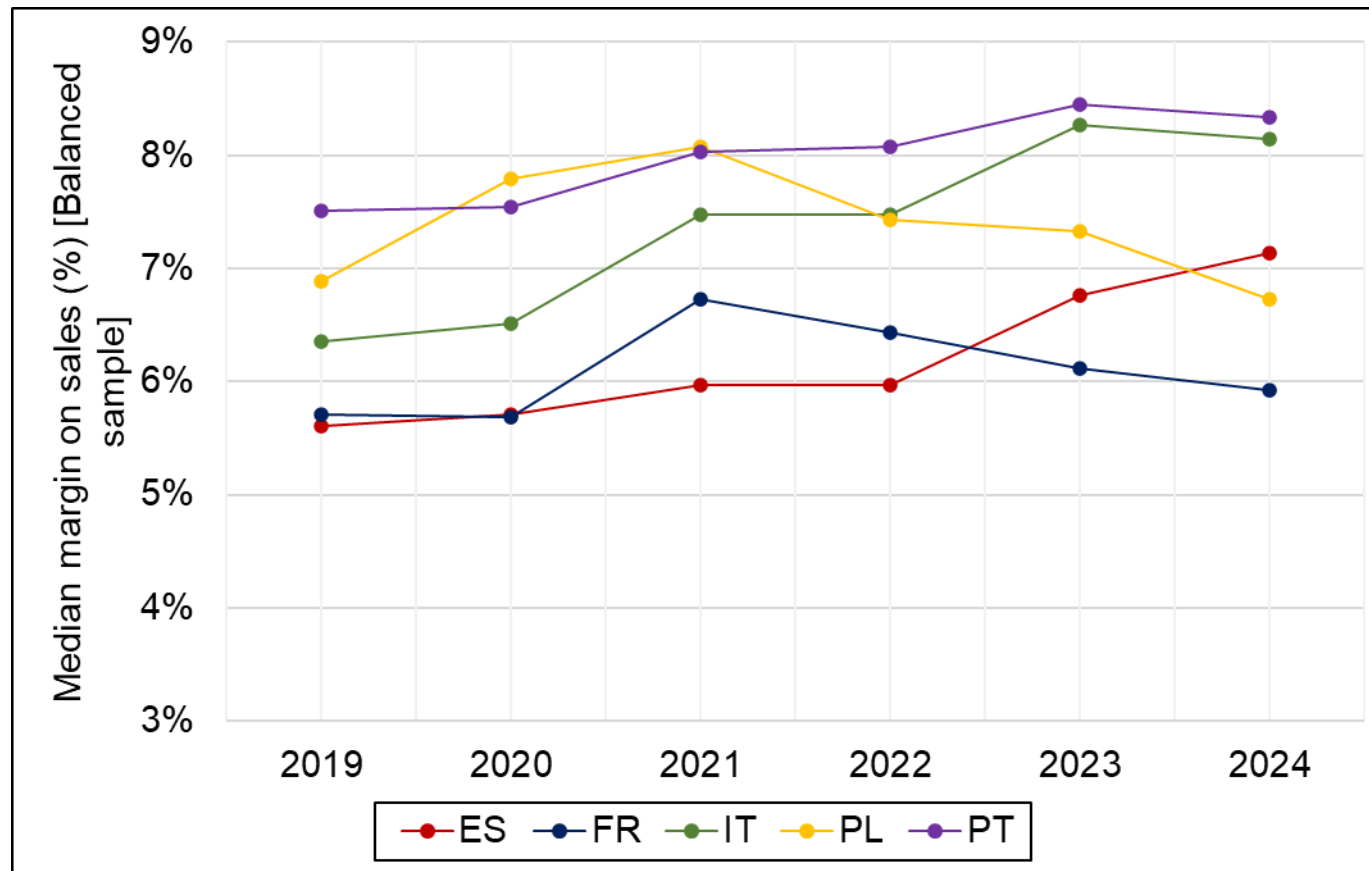
- p(75): Third quartile --> 25% of the companies enjoy margins equal to or greater than the third quartile
- p(50): Median --> Half of the companies have margins higher than the second quartile; the other half, lower
- p(25): First quartile --> 25% of the companies have margins below the first quartile



4. Evolution of profit margins over time (Balanced sample)

In line with the unbalanced sample, also in the balanced sample firms show an increase in median profit margins since 2019. However, in 2024 all countries record lower median margins than in 2023, with the exception of Spain, where they continue to increase.

Figure 7: Median of margin on sales over time across countries
(Balanced sample)

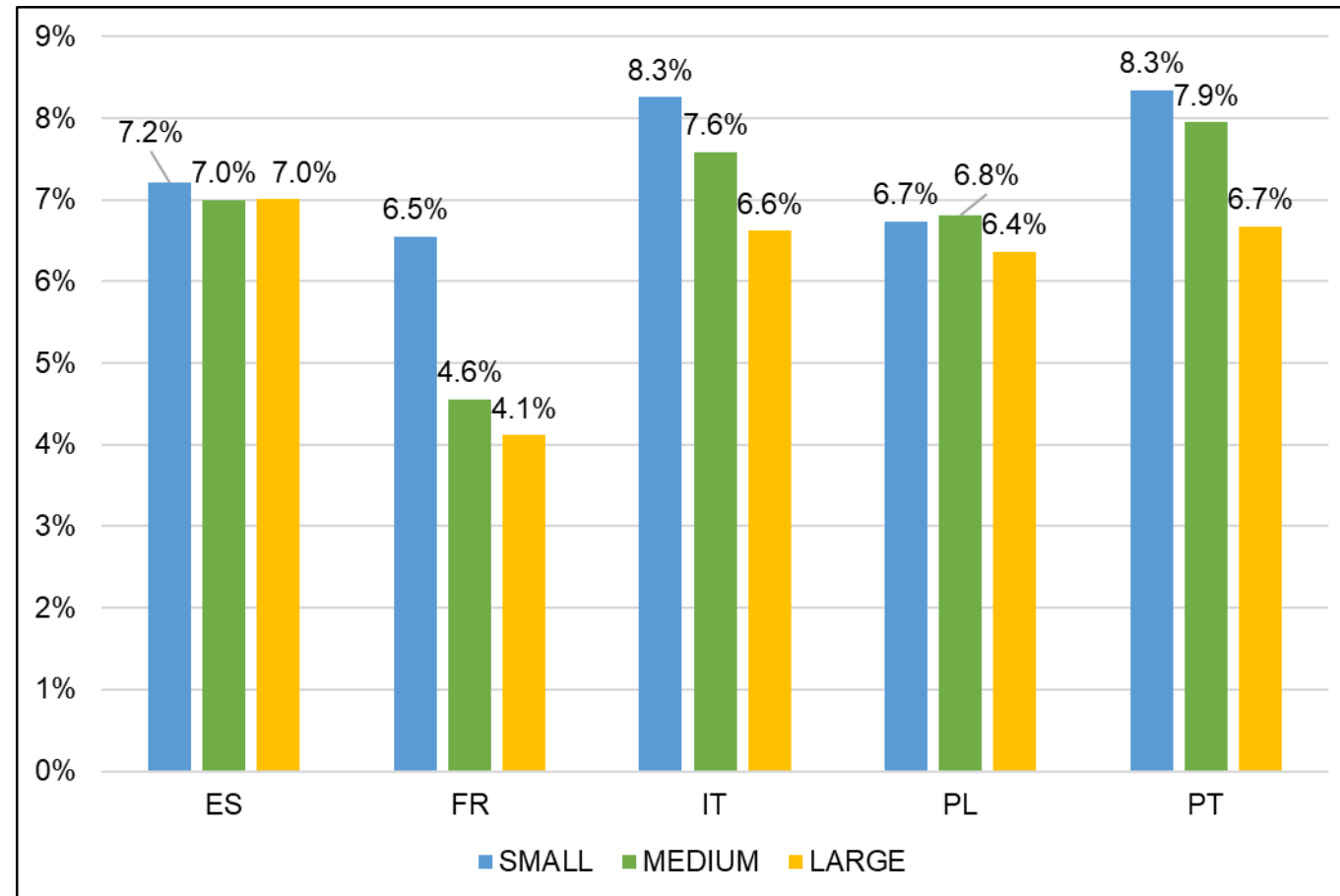




5. Profit margins by firm size

In 2024, median profit margins are generally heterogeneous across firm sizes and countries, although large firms typically show lower margins than smaller ones. In Italy, France and Portugal median margins decline with firm size, with smaller firms earning higher margins than medium firms, and medium firms outperforming large ones. By contrast, in Poland and Spain margins are broadly similar across size classes, indicating a more uniform profitability structure for median firms.

Figure 8: Median margin on sales by country and size in 2024





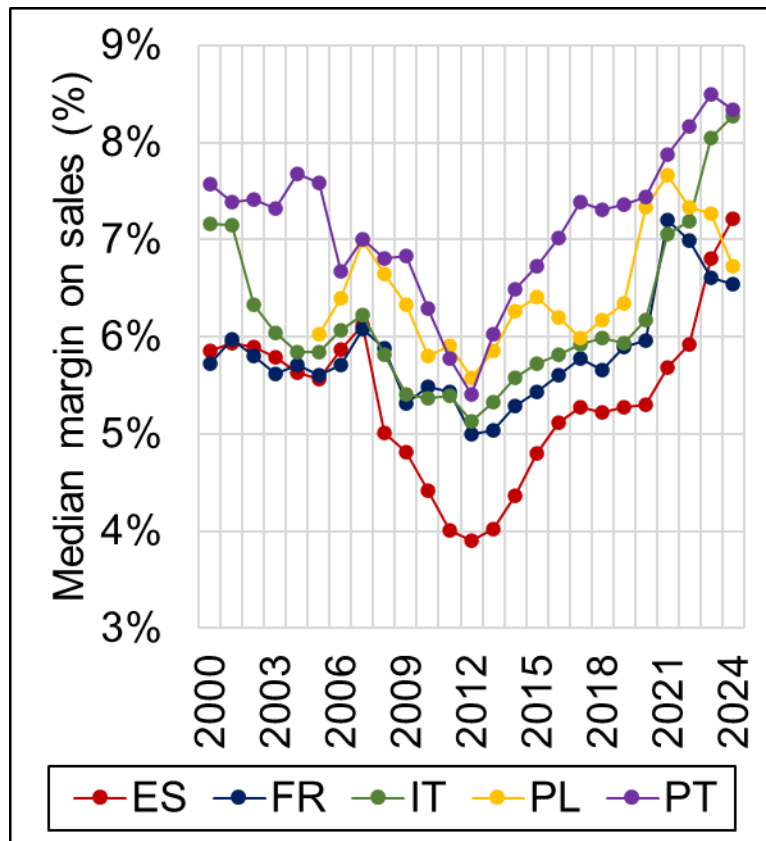
5. Profit margins by firm size

Median profit margins vary noticeably across firm sizes and countries. In France, large and medium-sized firms consistently show the lowest margins.

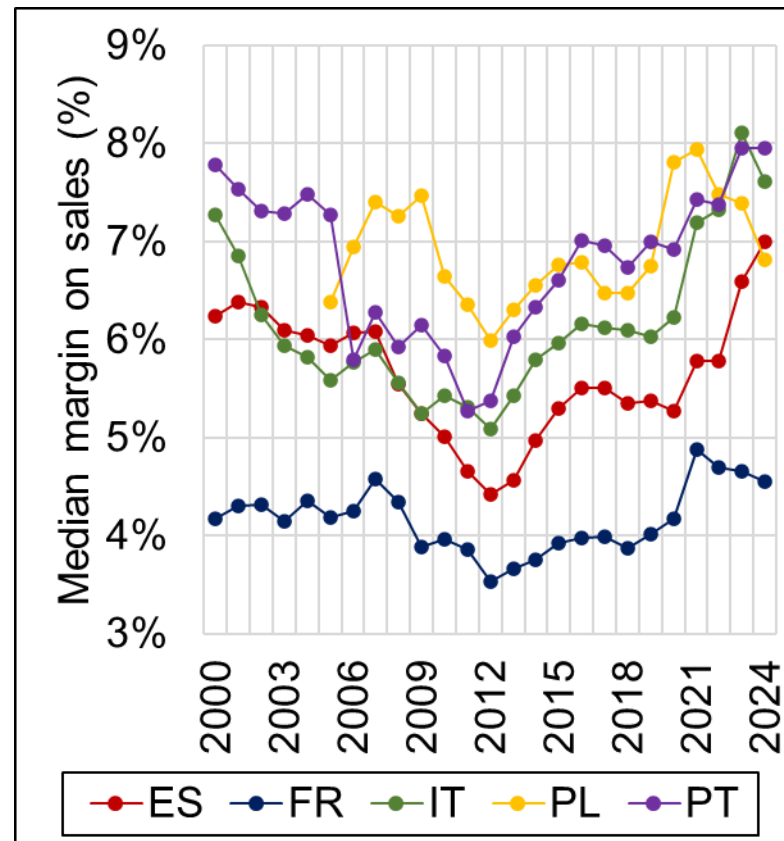
In 2024, margins decline across most size categories in every country except Spain, where margins rise for all firm sizes. Median margins only increase for small Italian firms. Small Italian and Portuguese firms are the only cases with margins exceeding 8% in 2024. In France and Poland, the downward trend observed since 2021 continues, with margins declining across most firm sizes.

Figure 9: Median margin on sales over time by country and size

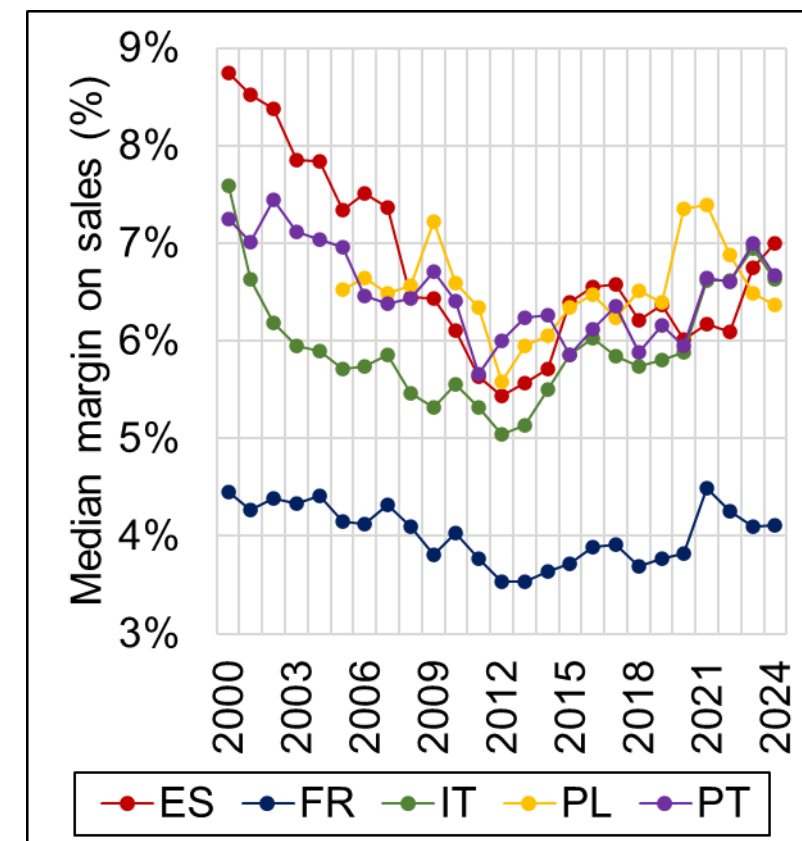
SMALL FIRMS



MEDIUM FIRMS



LARGE FIRMS

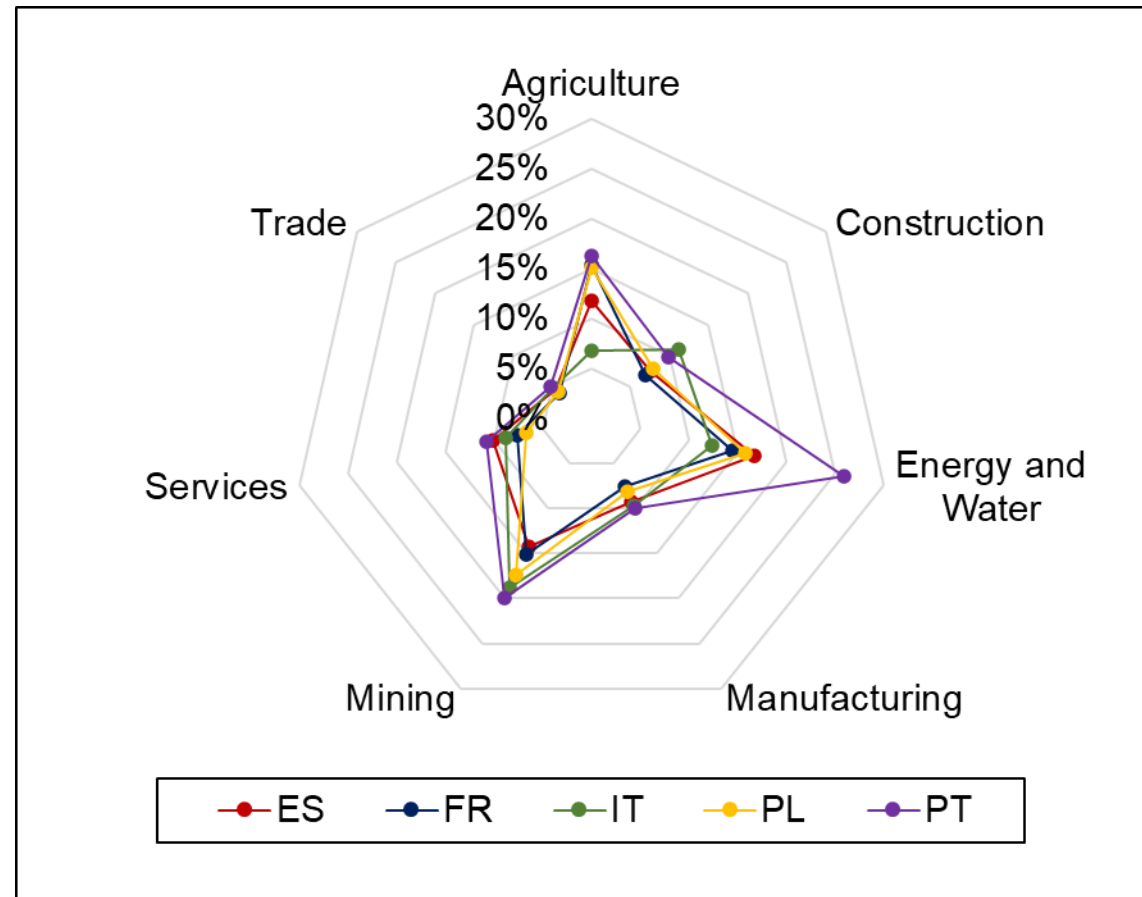




6. Profit margins by sector of activity

In 2024, Trade remains the least profitable sector across all countries, with median margins close to 5% and the lowest degree of cross-country heterogeneity. Also manufacturing, construction, and services are characterized by relatively low median margins. In contrast, mining records the highest median margins (around 15%), with the exception of energy and water in Portugal (above 25%). The sectors showing the greatest heterogeneity across countries are agriculture and energy and water.

**Figure 10: Median margin on sales in 2024
by country and firm sector of activity**

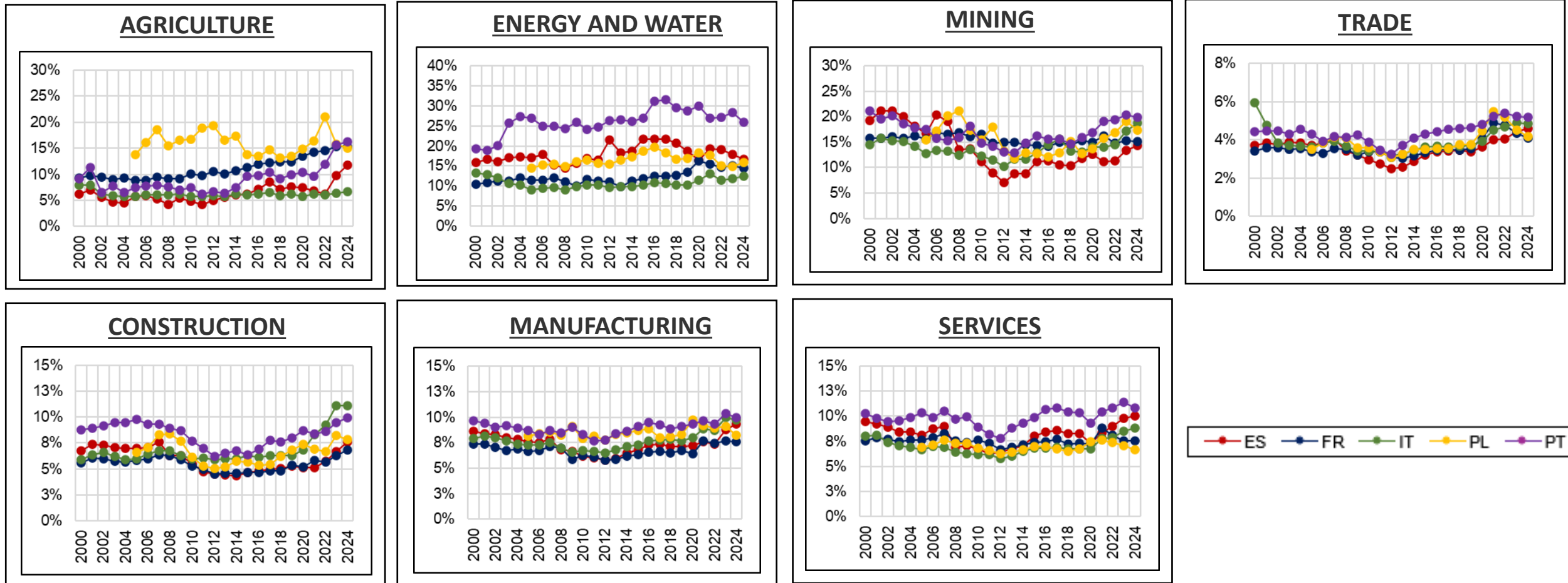




6. Profit margins by sector of activity

Median profit margins remain relatively stable over time in manufacturing, services, trade, and construction. One exception is construction in Italy and Portugal, where median margins increased in recent years. Median margins in agriculture, energy and water, and mining exhibit more volatile patterns over time.

Figure 11: Median margin on sales over time by country and sector



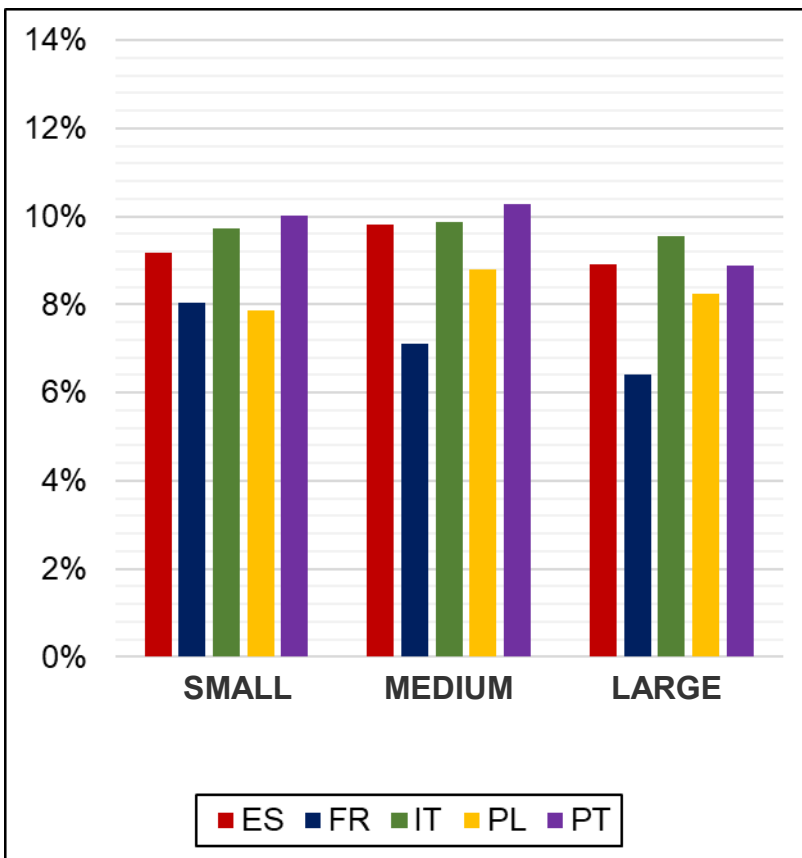


7. Profit margins by size and sector of activity

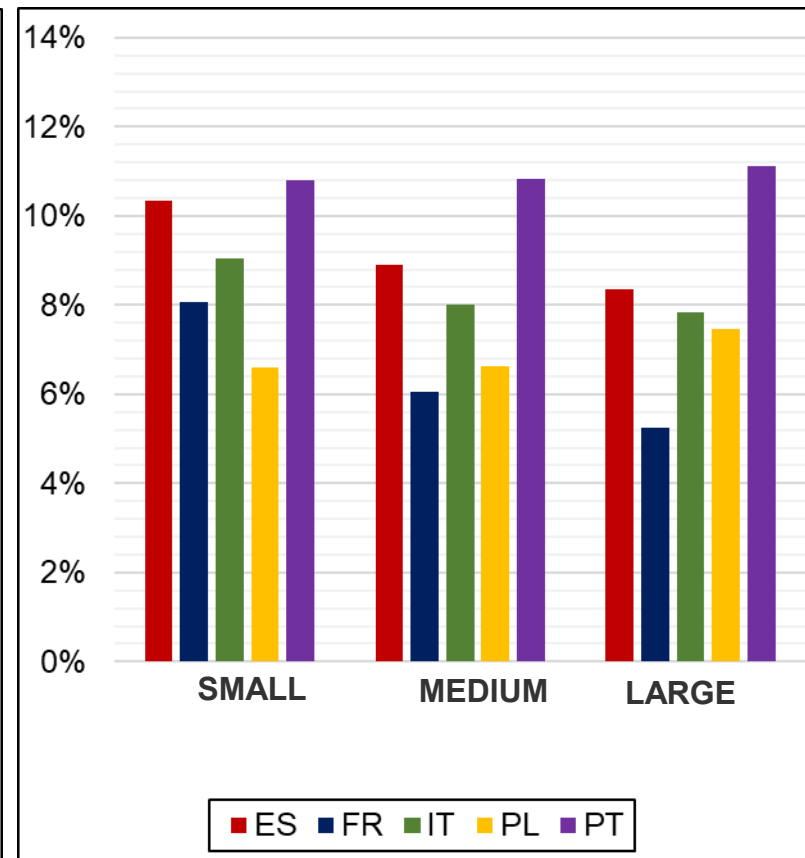
Analyzing median profit margins by sector and firm size in the three sectors with the largest number of firms (manufacturing, services, and trade) suggests relatively limited heterogeneity across size classes. Some size-related patterns partially emerge. In manufacturing, an inverted U-shaped relationship between margins and firm size emerges (except for France, where margins decline with firm size). In services, margins decline with firm size in Spain, France, and Italy, whereas they increase in Poland and Portugal. In the trade sector, margins decline with firm size in most countries.

Figure 12: Median margin on sales in 2024, by country, firm sector and size, in the 3 largest sectors (by firm count)

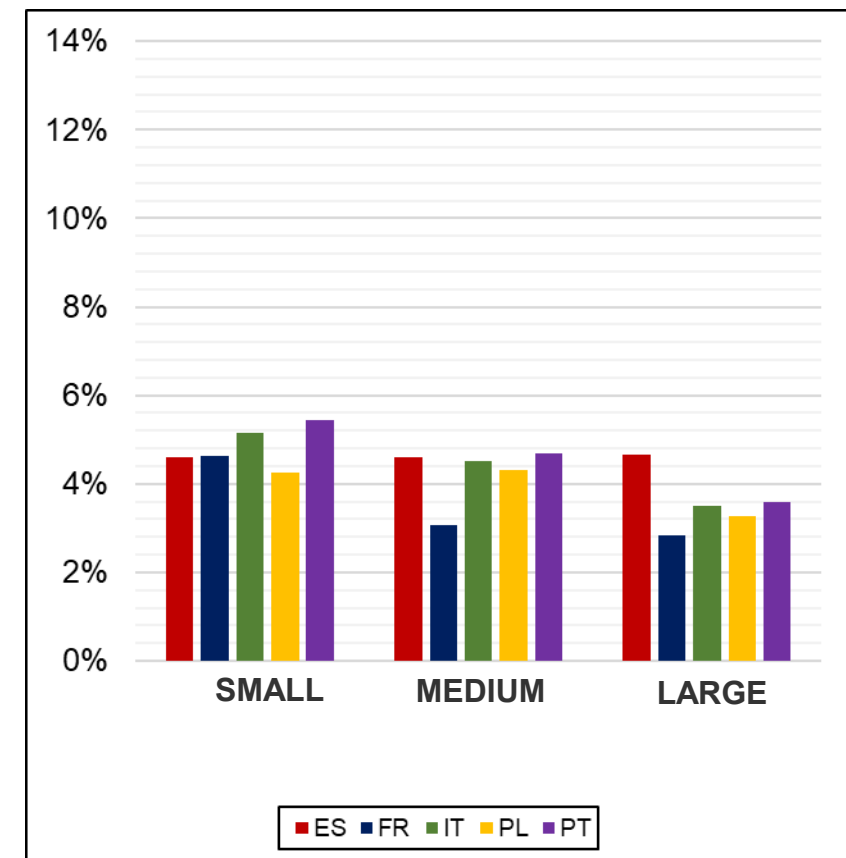
MANUFACTURING



SERVICES



TRADE





7. Profit margins by size and sector of activity

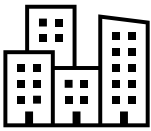
The evolution of median profit margins by sector and firm size in the three sectors with the largest number of firms (manufacturing, services, and trade) is relatively stable over time.
Country-specific evolutions of median sectoral margins are typically common to all firm size categories.

Figure 13: Median margin on sales over time, by country, firm sector and size, in the 3 largest sectors (by firm count)

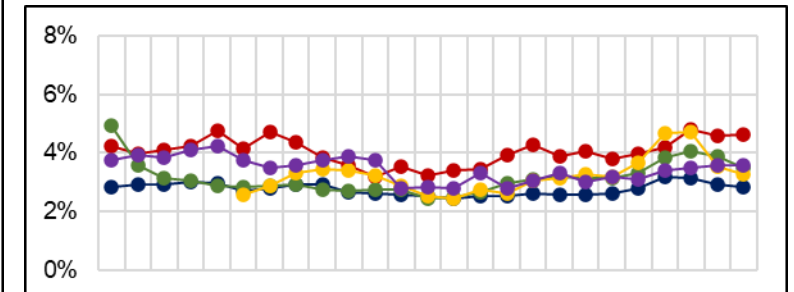
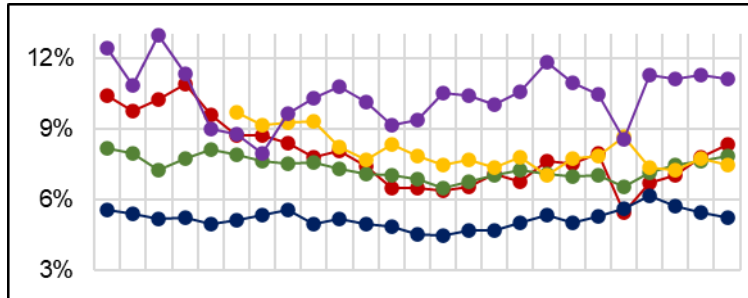
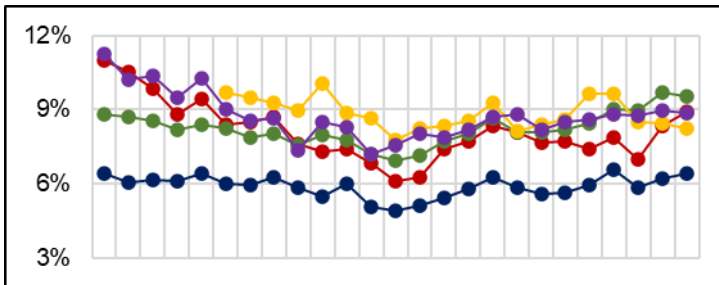
MANUFACTURING

SERVICES

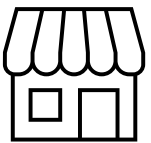
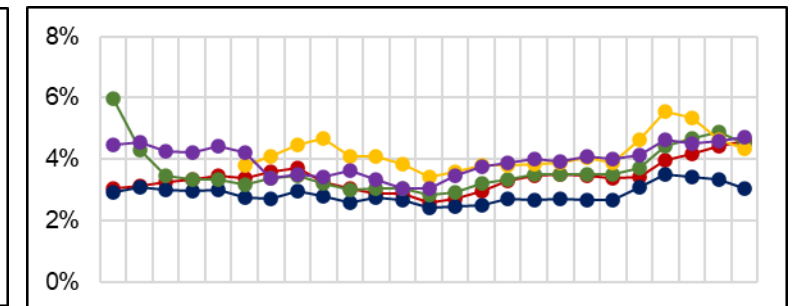
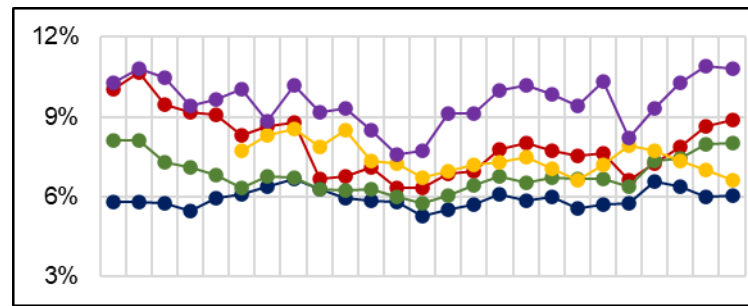
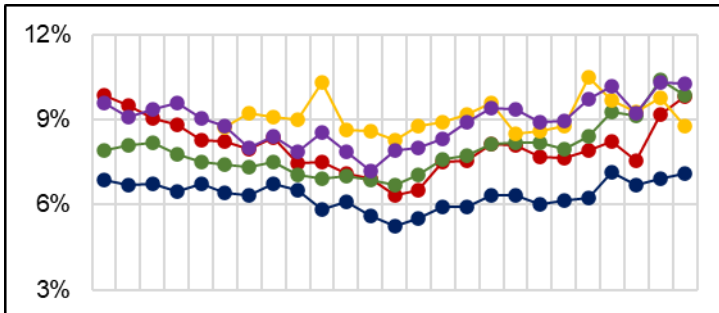
TRADE



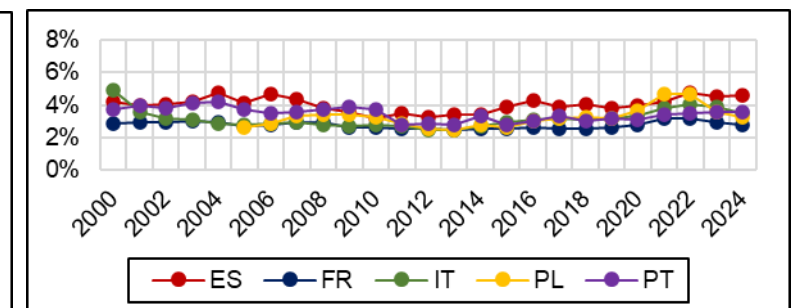
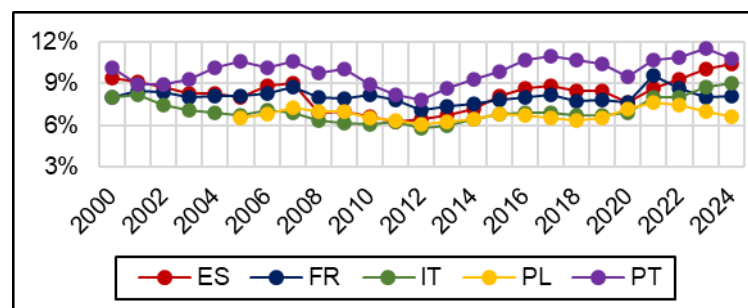
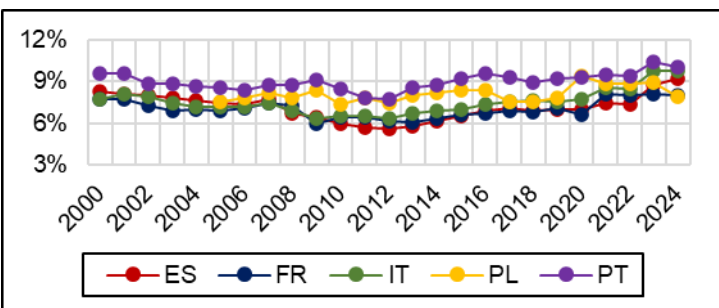
LARGE



MEDIUM



SMALL



— ES — FR — IT — PL — PT

— ES — FR — IT — PL — PT

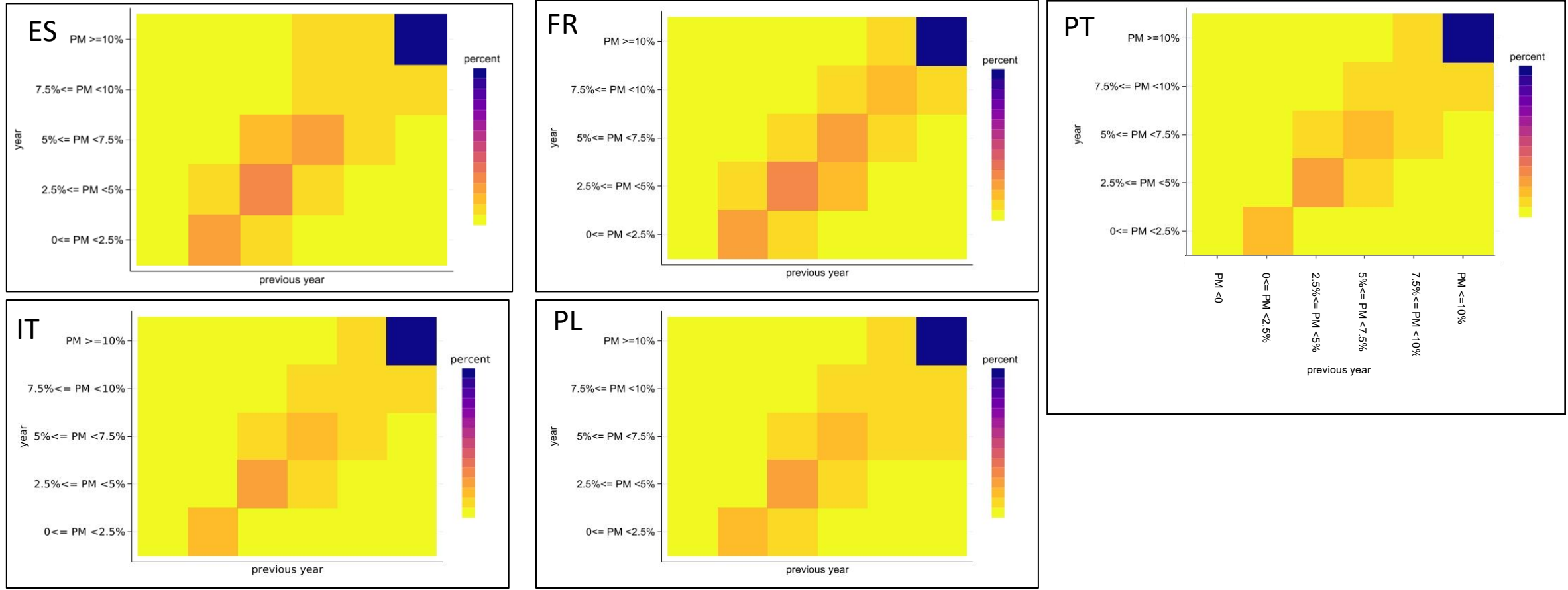
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8. Profit margin transitions

Across all countries, a large share of resilient firms ($ICR \geq 2$) earns margins above 10% and many have remained in the same profit margin category between 2023 and 2024.

Figure 14: Profit Margin transitions* for resilient firms ($ICR > 2$) in 2024



*Each panel shows a transition matrix of profit margin categories from year $t - 1$ (horizontal axis) to year t (vertical axis) for resilient firms (defined as firms with an interest coverage ratio ($ICR = EBITDA / \text{interest of financial debt}$) ≥ 2 in the current year). Cells report the number of firms moving between profit margin brackets. Darker colors indicate higher shares. Values along the main diagonal represent firms that remained in the same profit margin category year-on-year, while off-diagonal cells capture upward or downward transitions. Overall concentration along the diagonal indicates a high degree of stability in profit margins, whereas dispersion away from the diagonal reflects increased volatility or reallocation across profitability levels. The heatplots show companies that were classified as resilient in the current year. This does not exclude cases where a firm may have been vulnerable in the previous year

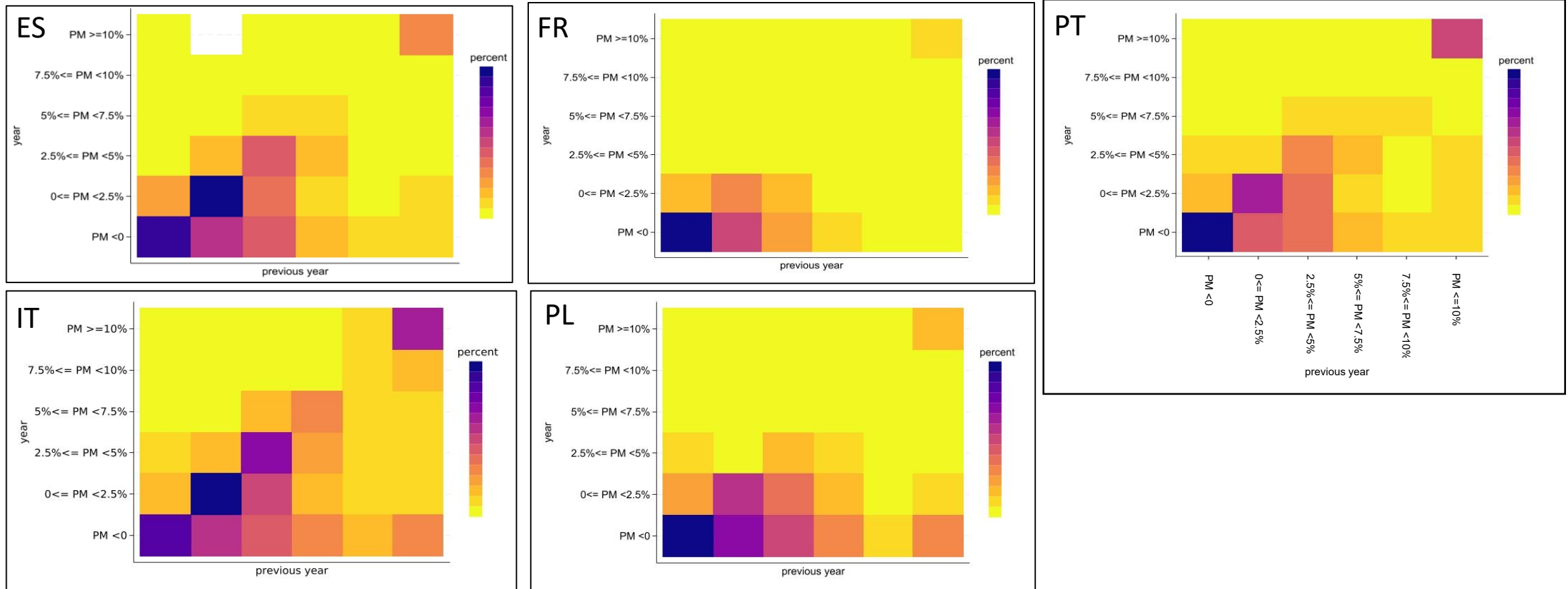
ES (Spain) // FR (France) // PL (Poland) // Portugal (PT) // Italy (IT)



8. Profit margin transitions

Vulnerable firms ($ICR < 2$) show lower persistence in their initial profit-margin categories and more frequent transitions towards lower or negative margin classes.

Figure 15: Profit Margin transitions* for vulnerable firms ($ICR < 2$) in 2024



*Each panel shows a transition matrix of profit margin categories from year $t - 1$ (horizontal axis) to year t (vertical axis) for vulnerable firms (defined as firms with an interest coverage ratio ($ICR = EBITDA / \text{interest of financial debt}$) < 2 in the current year). Cells report the number of firms moving between profit margin brackets. Darker colors indicate higher shares. Values along the main diagonal represent firms that remained in the same profit margin category year-on-year, while off-diagonal cells capture upward or downward transitions. Overall concentration along the diagonal indicates a high degree of stability in profit margins, whereas dispersion away from the diagonal reflects increased volatility or reallocation across profitability levels. The heatplots show companies that were classified as vulnerable in the current year. This does not exclude cases where a firm may have been resilient in the previous year.

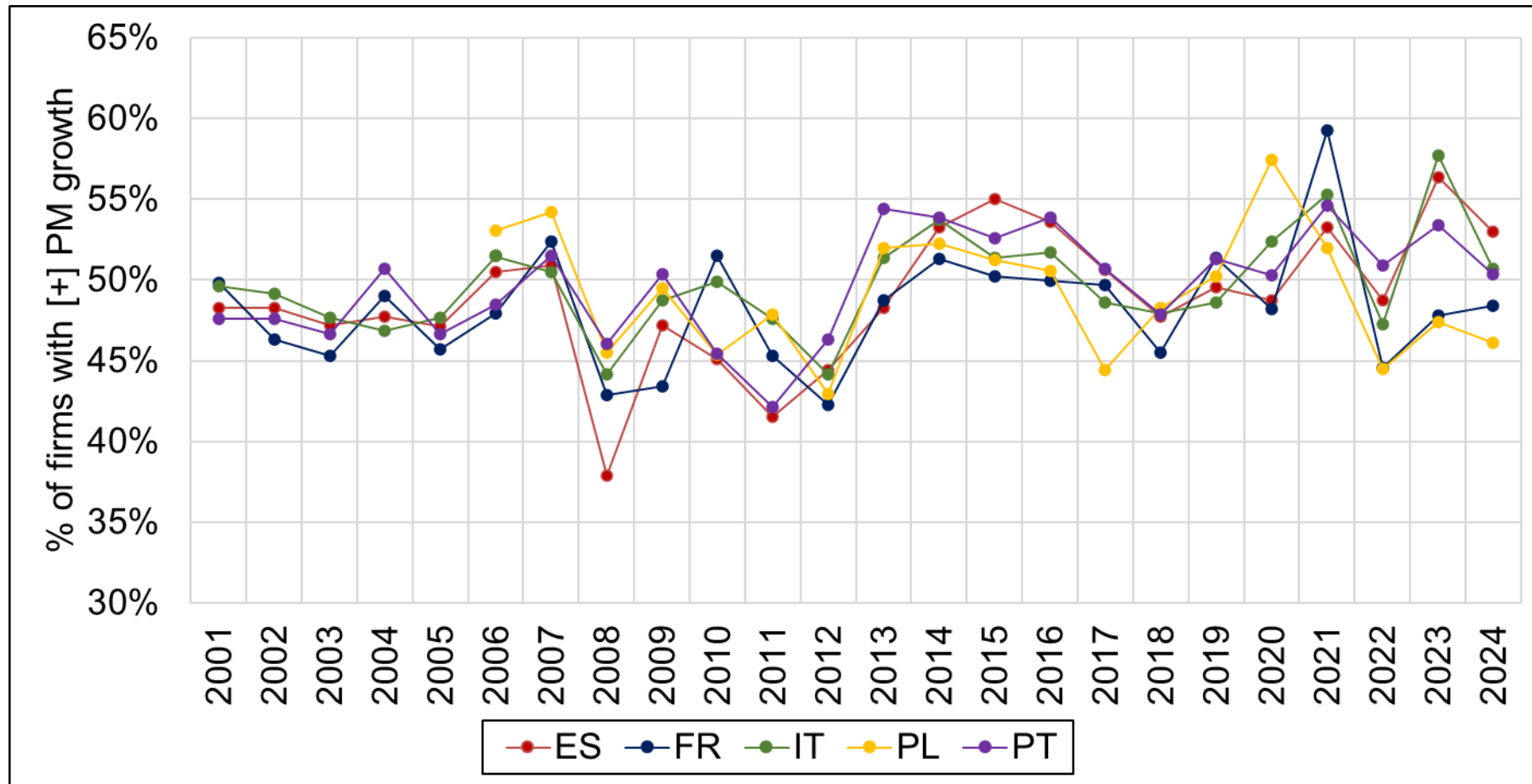
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9. Share of firms with positive profit margin growth

In 2024, the majority of firms in Spain, Italy, and Portugal have positive profit margin growth, contrary to France and Poland. The share of firms with positive profit-margin growth declined in 2024 (except for France), after having increased the previous year. The heterogeneity of this share across countries has declined compared to 2023

Figure 16: Share of firms with positive margin-growth over time by country





9. Share of firms with positive profit margin growth

In 2024, the share of firms with positive margin-growth is most often homogeneous across firm sizes, despite some differences across countries. Within each country, the share of firms with positive growth of margins is instead strongly heterogeneous across sectors. The share of firms with positive growth is also very heterogeneous across countries especially for energy and water, construction, and manufacturing, and to a lower extent for agriculture and trade, while more homogeneous for mining and services.

Figure 17: Share of firms with positive margin-growth by country and size in 2024

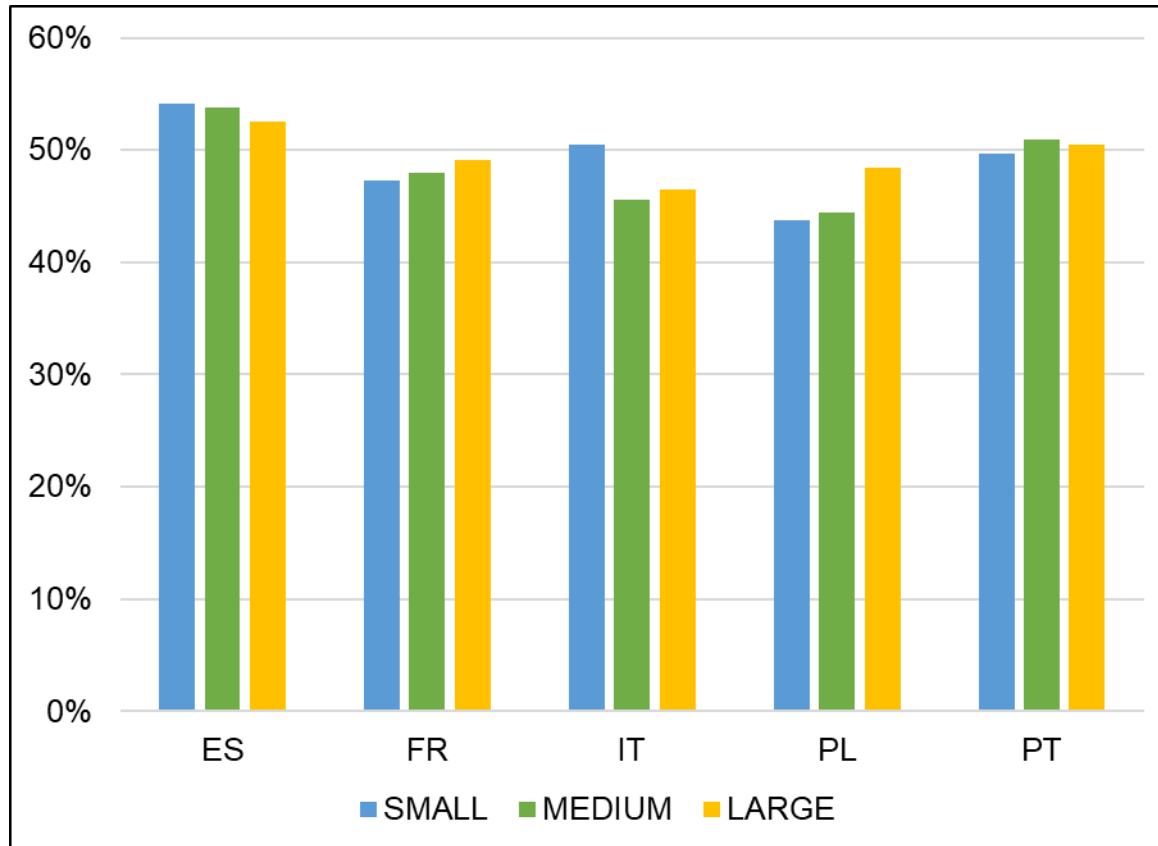
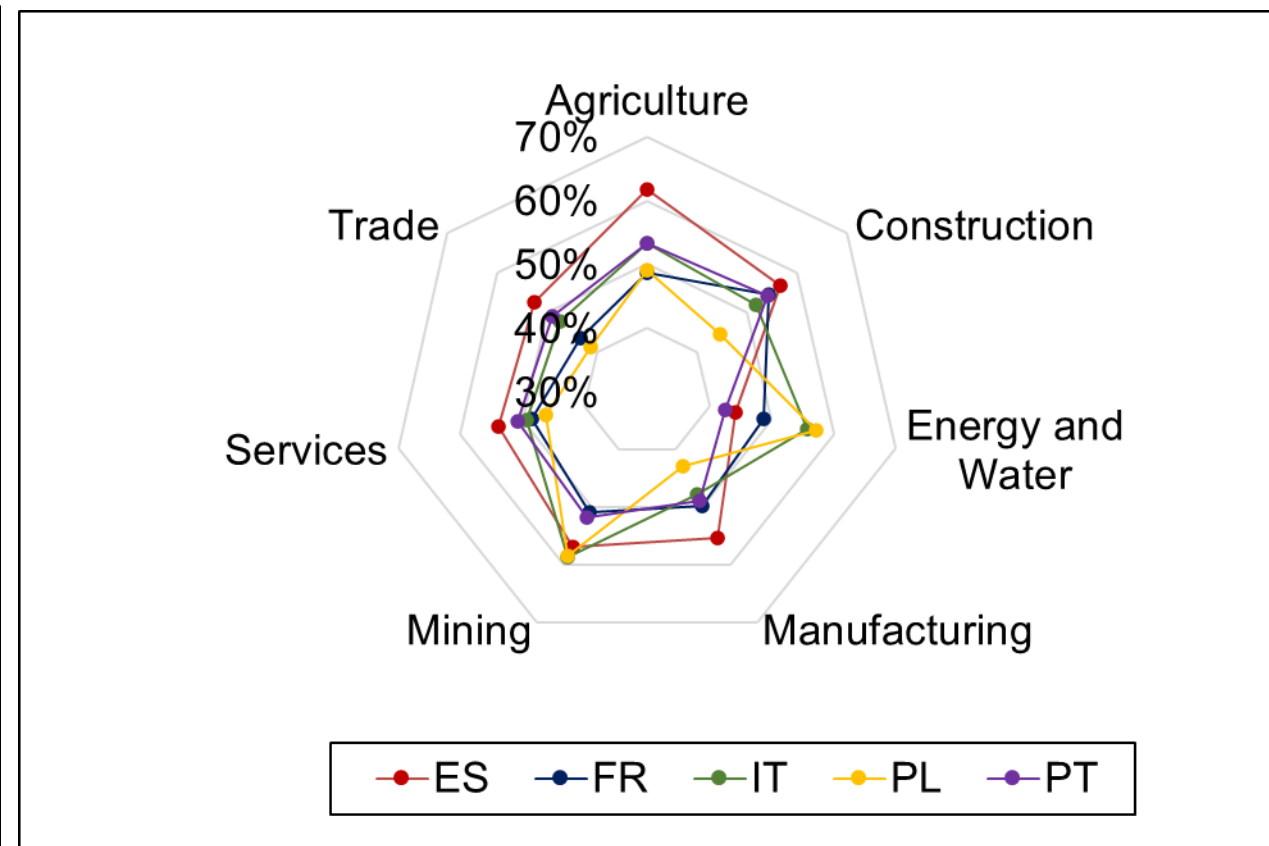


Figure 18: Share of firms with positive margin-growth by country and sector in 2024





BOX 1: EBITDA components relative to sales

Why do margins differ across countries?

- Differences may stem from cost structures and other components that contribute to EBITDA
- The evolution of specific components of EBITDA may provide additional insight

This box explores cross-country differences in EBITDA margins through a **decomposition of EBITDA** into its main accounting components, highlighting how the evolution of these components varies across countries.



BOX 1: EBITDA components relative to sales

Between 2000 and 2024, the share relative to sales of some components of EBITDA varies over time. The largest component, the cost of goods sold relative to sales, has been declining in all countries since its peak in 2022. In 2024, this ratio remains heterogeneous across countries, ranging from roughly 45% in France to 60% in Poland. The weighted average contribution of variations in stocks, operating subsidies, and capitalised production relative to sales is limited to about 1-2% in all countries.

Figure B1.1: Weighted mean of cost of goods sold, materials & consumables (relative to sales) over time by country

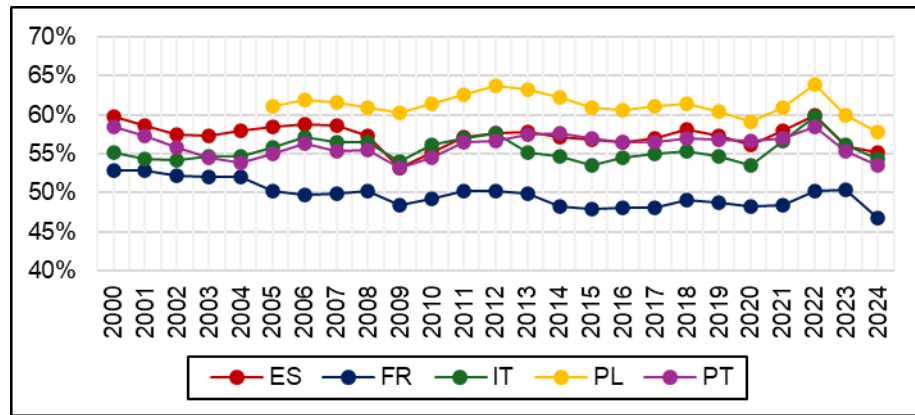


Figure B1.2: Weighted mean of operating subsidies & suppl. operating income (relative to sales) over time by country

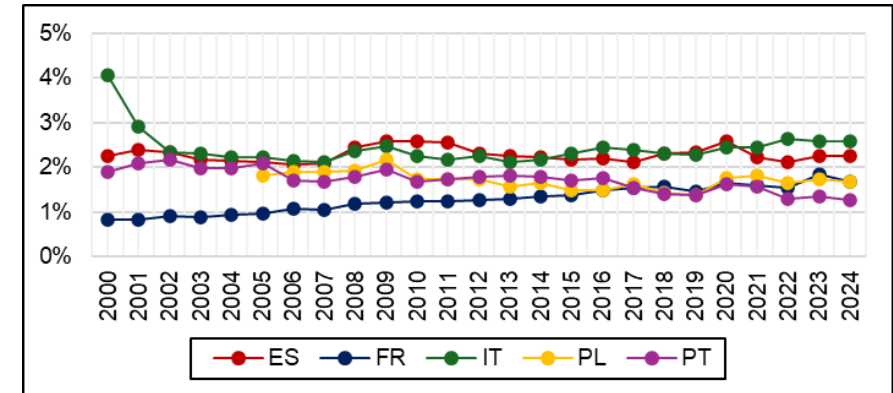


Figure B1.3: Weighted mean of variation in stocks of finished goods and work in progress (relative to sales) over time by country

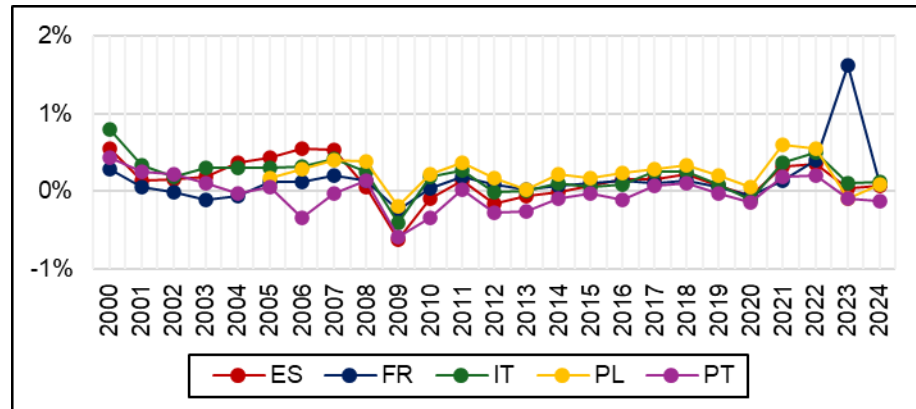
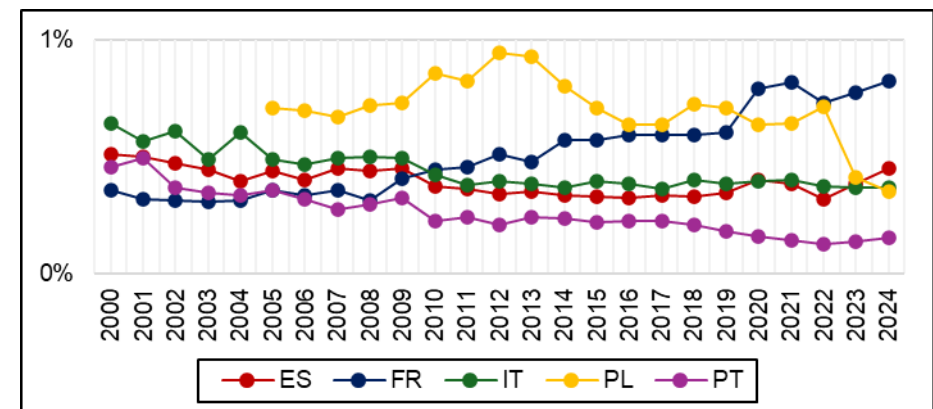


Figure B1.4: Weighted mean of capitalised production (relative to sales)-over time by country





BOX 1: EBITDA components relative to sales

Between 2000 and 2024, external supplies and services over sales have remained relatively stable, but heterogeneous across countries, ranging from 15% in Poland to almost 30% in France. Similarly, the share of staff costs over sales has also remained stable, and ranges between 10% in Poland and 17% in France. Operating taxes and other operating charges (I81) contribute to a more limited extent, less than 5% of sales, in all countries except Poland, where they consistently exceed this share.

Figure B1.5: Weighted mean of external supplies and services (relative to sales) over time by country

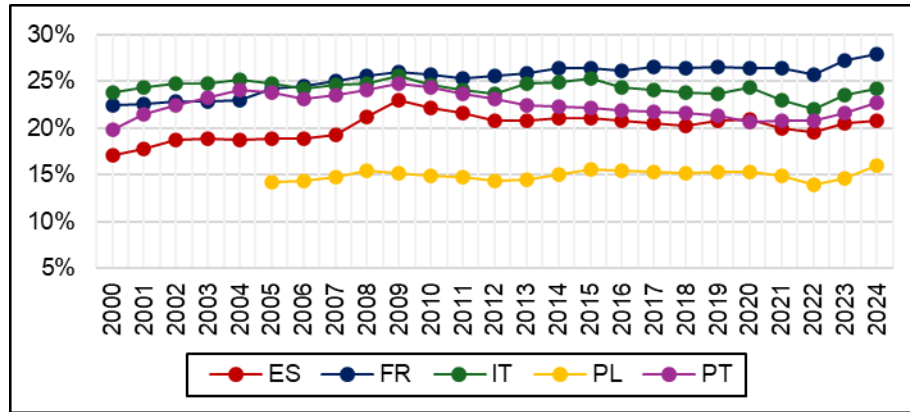


Figure B1.6: Weighted mean of staff costs (relative to sales) over time by country

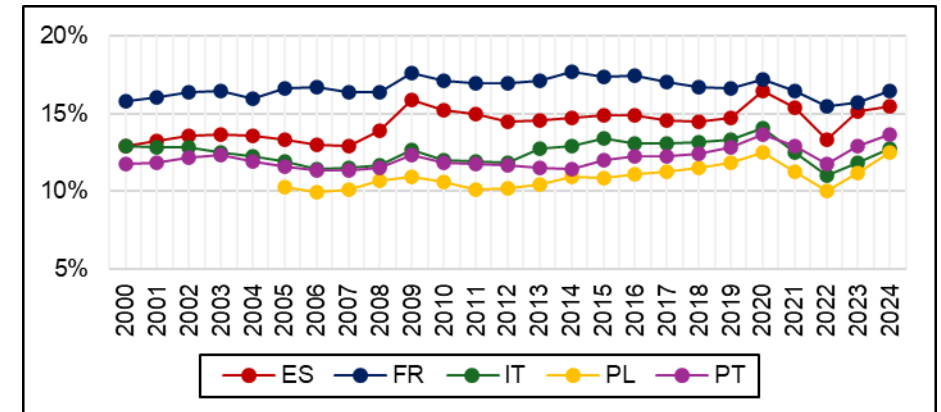
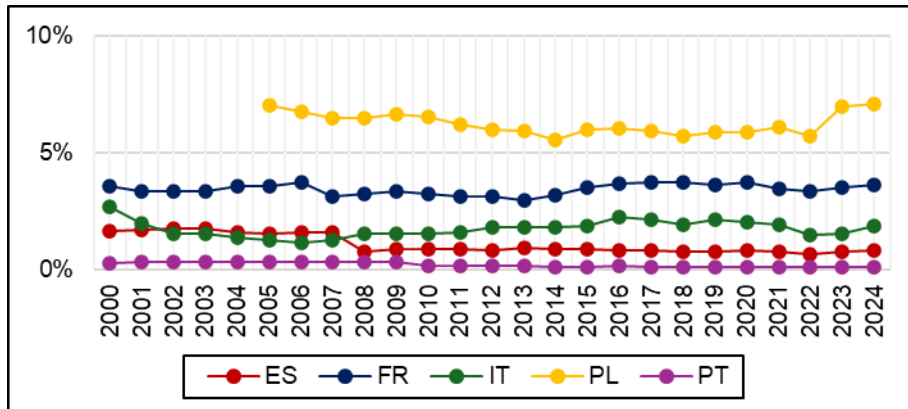


Figure B1.7: Weighted mean of operating taxes & other operating charges (relative to sales) over time by country





BOX 2: Profit margin comparison with National Accounts

Do firm-level data and national accounts tell the same story on profitability?

- Profitability indicators differ depending on the data source
- Firm-level (microdata) and national accounts provide complementary perspectives
- Understanding their differences is key for interpretation

This box compares profit margins across both frameworks to assess their alignment and gaps

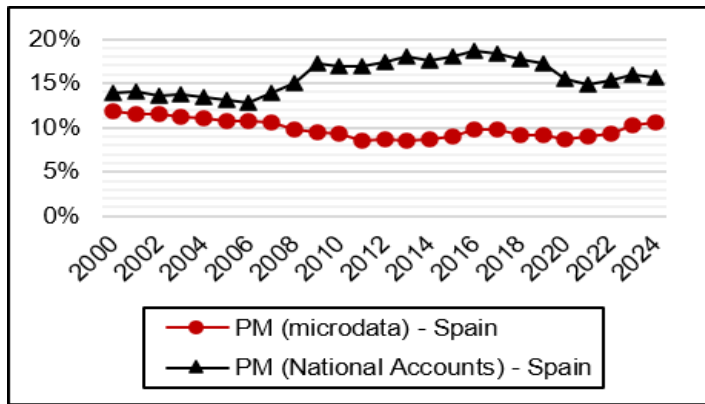


BOX 2: Profit margin comparison with National Accounts

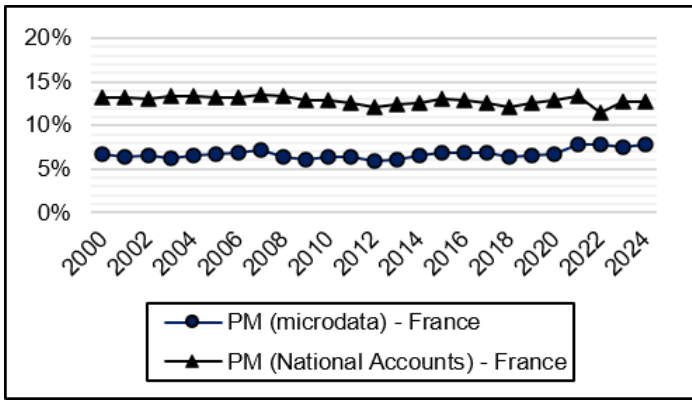
Comparing weighted mean profit margins computed at the firm level with those from national accounts for the non-financial corporation sector reveals a difference of around 5–7 percentage points. The overall trends within and across countries have remained broadly consistent over the period 2000–2024, except for Spain and Portugal from the financial crisis of 2008. In 2024, profit margins in national accounts range from about 13% to 15%, while microdata-based margins lie between 8% and 11%.

Figure B2.1: Evolution of the weighted mean profit margin at the firm level compared with the National Accounts margin*, by country

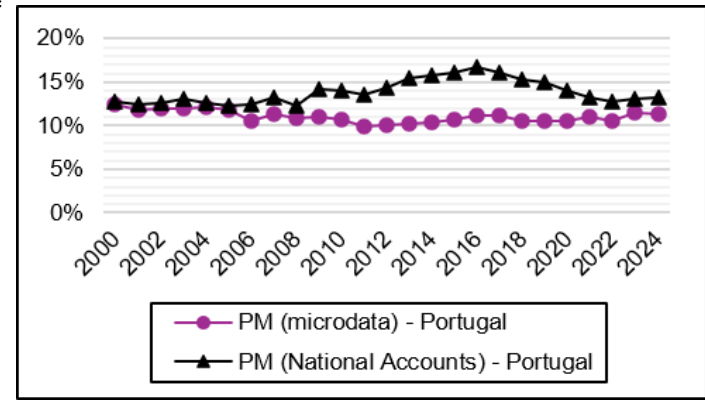
ES***



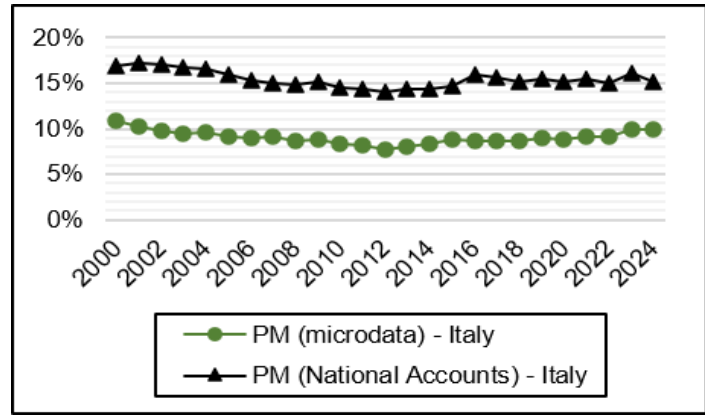
FR



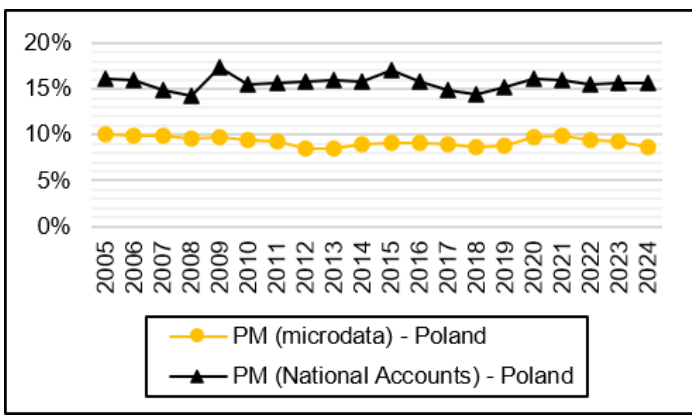
PT***



IT



PL**



***National accounts profit margin** is computed by dividing gross operating surplus (B2G) by output (P1) for S11 (non-financial corporations) sector. Source: [EUROSTAT](#)

Profit margin levels derived from National Accounts are not fully comparable with firm-level accounting measures, as the compilation of output differs for certain sectors of activity (notably trade and real estate). In National Accounts, output in some sectors is measured on a margin basis, whereas enterprise accounts record total sales. This methodological difference contributes to the observed gaps in the levels of these profit margin measures. Note that the advantage of computing firm-level margins is that this allows us to investigate their heterogeneity across firms.

****Data for PL is only available since 2005.**

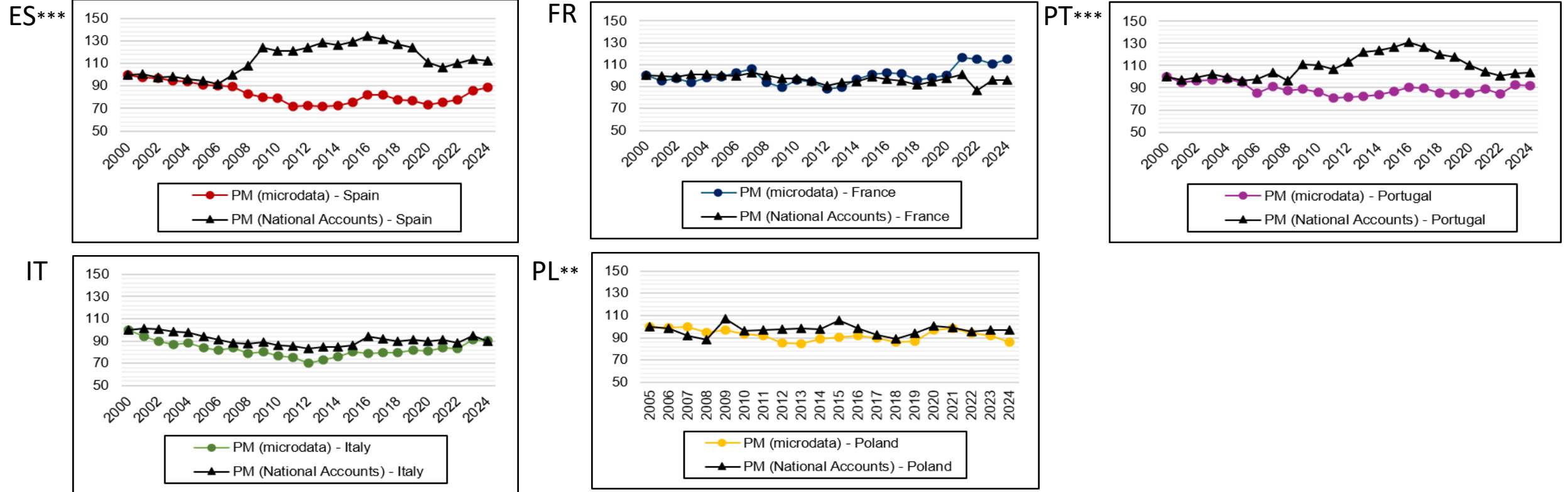
*****The larger divergence observed for ES, and to a lesser extent PT, may reflect a combination of factors. In post-crisis NA and firm-level data differ in the measurement of output for certain sectors, notably trade and real estate activities. Additionally, differences in sectoral composition, the representation of large corporations, and post-crisis structural adjustments may have contributed to the stronger increase in PM observed in NA relative to firm-level**



BOX 2: Profit margin comparison with National Accounts

Comparing weighted mean profit margins computed at the firm level with those from national accounts for the non-financial corporation sector, rebased to an index equal to 100 at the beginning of the period 2000–2024, reveals broadly similar dynamics across data sources for Italy and Poland throughout the period, for France up to 2020 and for Spain and Portugal until the global financial crisis. Overall, profit margins have remained stable or declined relative to the base year in both National Accounts and firm-level measures in most countries, with the exception of increasing firm-level margins in France and National Accounts ones in Spain and Portugal.

Figure B2.2: Evolution of the weighted mean profit margin at the firm level compared with the National Accounts margin*, by country (index = 100)



*National accounts profit margin is computed by dividing gross operating surplus (B2G) by output (P1) for S11 (non-financial corporations) sector. Source: [EUROSTAT](#)

**Data for PL is only available since 2005.

Profit margin levels derived from National Accounts are not fully comparable with firm-level accounting measures, as the compilation of output differs for certain sectors of activity (notably trade and real estate). In National Accounts, output in some sectors is measured on a margin basis, whereas enterprise accounts record total sales. This methodological difference contributes to the observed gaps in the levels of these profit margin measures. To focus on the relative evolution rather than differences in levels, profit margin series are rebased to an index equal to 100 at the start of the period. This transformation allows for a more meaningful comparison of temporal dynamics and relative evolution across data sources, abstracting from level differences. Note that the advantage of computing firm-level margins is that this allows to investigate their heterogeneity across firms

***The larger divergence observed for ES, and to a lesser extent PT, may reflect a combination of factors. In particular, NA and firm-level data differ in the measurement of output for certain sectors, notably trade and real estate activities. Additionally, differences in sectoral composition, the representation of large corporations, and post-crisis structural adjustments may have contributed to the stronger increase in PM observed in NA relative to firm-level



BOX 2: Profit margin comparison with National Accounts

ADDITIONAL CLARIFICATIONS REGARDING NATIONAL ACCOUNTS COMPARISON:

Profit margin indicators derived from National Accounts are **not fully comparable** in level with firm-level accounting measures, as the underlying concepts of output and operating surplus differ between the two frameworks.

In National Accounts, **output** (P1) is **measured according to SNA/ESA production concepts** and may **differ** substantially from **enterprise turnover**. This is particularly relevant for activities such as wholesale and retail trade, where output is recorded as a total value of the trade margin, whereas enterprise accounts generally report the full value of goods sold (i.e. total sales). Differences may also arise in other activities, including certain real estate-related activities, due to differences in the treatment of property transactions, valuation changes and the distinction between production income and holding gains.

Additional discrepancies may reflect, among other factors, differences in:

- **Sector coverage** (National Accounts aim to cover the complete population of institutional units classified within the non-financial corporations sector (S11), whereas enterprise-based measures may rely only on available financial statements or business survey populations).
- **Classification** (National Accounts apply ESA 2010 institutional sector and activity classifications, whereas enterprise statistics typically classify companies according to their dominant economic activity based on NACE).
- **Valuation principles** (National Accounts measure output and income according to SNA/ESA valuation concepts, whereas enterprise accounts generally record revenues and expenses according to accounting standards).



Annex I: Methodology and definitions

Methodology:

- Exploiting the micro data underlying the BACH dataset¹, in this report Profit Margin (PM) is measured as margin on sales and, specifically, as the ratio between EBITDA and sales². The components of this indicator, as well as the trimming of outliers, are detailed in Annex I.
- The main focus of this report is on the median values³ of profit margins, as well as the bottom and upper quartiles of the distribution. Moreover, other percentiles (5th, 10th, 90th and 95th centiles) are also investigated.
- Micro data also allow computing the evolution of profit margin firm by firm. Since a firm's profit margin can be negative (or null), it is not possible to simply compute log differences. Therefore, the inverse hyperbolic sine is computed, as detailed in Annex I.
- Details about firm size criteria⁴ and sectoral classification are reported in Annex II. The number of companies in each country, as well as their percentage by firm size and sector, are also reported in Annex II.

¹The Bank for the Accounts of Companies Harmonized (BACH) database contains aggregated and harmonized annual accounting data of non-financial enterprises for several European countries.

²When profit margins are computed based on national account data, the denominator of the ratio is typically gross value added. The two margin indicators provide different information. The margin on sales (=EBITDA/sales) is useful to analyze the pass-through of production costs into prices, while the margin on GVA (=EBITDA/GVA), is useful to analyze the distribution of surplus between capital and labor. An occasional paper of Banca d'Italia (Colonna, F., Torrini, R. and Viviano, E., "[The profit share and firm mark-up: how to interpret them?](#)", Occasional Paper No 770, Banca d'Italia, May 2023) argued that the former is better suited to indicate whether companies' pricing strategies are a driving force behind inflation, while the latter may in fact rise even in the case of constant mark-up when the price of intermediate inputs rises faster than labor costs and input substitutability is limited.

³Median values are more robust than weighted means. Notice that the weighted mean of individual firms' ratios basically correspond to computing the profit margin ratio at the aggregate level, that is, summing for all firms the values of numerators and denominators and then taking ratios of these aggregates (e.g., the sum of EBITDAs over the sum of sales).

⁴Micro companies, defined as firms with sales below 2 million euros, are excluded throughout the report. Indeed, their coverage is heterogeneous across countries. In the case of Spain, for which the coverage of micro companies is satisfactory, the Appendix reports some results including micro companies.



Annex I: Methodology and definitions

Profit margin on sales indicator:

The margin on sales indicator of profit margin (PM) corresponds to the ratio EBITDA (*) over sales and was computed as follows:

Margin on sales indicator	
Numerator	$I_1 + I_2 + I_3 + I_{41} - I_5 - I_6 - I_7 - I_{81}$
Denominator	I_1
PM on sales	$\frac{I_1 + I_2 + I_3 + I_{41} - I_5 - I_6 - I_7 - I_{81}}{I_1}$

Legend:

- I1: Sales (or net turnover)
- I2: Variation in stocks of finished goods and work in progress
- I3: Capitalised production
- I41: Operating subsidies and supplementary operating income (other income)
- I5: Cost of goods sold, materials and consumables
- I6: External supplies and services
- I7: Staff costs
- I81: Operating taxes and other operating charges (other expenses)

Growth rate of profit margin on sales (inverse hyperbolic sine):

In order to compute the evolution (between t and t-1) of profit margin firm by firm, we apply the following formula (inverse hyperbolic sine):

$$PM \text{ growth rate}_{t-1,t} = \ln \left(PM_t + \sqrt{PM_t^2 + 1} \right) - \ln \left(PM_{t-1} + \sqrt{PM_{t-1}^2 + 1} \right)$$

Data selection:

Some exclusion criteria were imposed. Specifically, outliers were excluded defined as observations with ratios, by country-year-size-sector, below or above the following thresholds, respectively:

$$PM < P25 - 6 \times IQR$$

$$PM > P75 + 6 \times IQR$$

where p25 is the 25th percentile of the distribution, p75 the 75th, and IQR the interquartile range (that is, the difference between the 75th and the 25th percentiles).

For confidentiality reasons, results for subsamples with fewer than 30 companies are not disclosed.

(*) The definition of EBITDA adopted here corresponds to the current definition of Gross Operating Profit (GOP) in the BACH database (which does not take into account financial income and expenses).



Annex II: Firm size criteria, classification of sector of activity and number of firms

Firm size:

Firm size criteria based on sales*

Micro	Sales $\leq 2M$ €
Small	$2M€ < \text{Sales} \leq 10M$ €
Medium	$10M€ < \text{Sales} \leq 50M$ €
Large	Sales $> 50M$ €
Total without Micro	Sales $> 2M$ €

*Note that micro firms are excluded from the analysis, due to their heterogeneous coverage across countries. Also note that in this report sales thresholds are deflated, each year, by the HICP (Harmonized Index of Consumer Prices). Additionally, for Poland and Türkiye, the series are deflated and converted using the real effective exchange rate (REER) and the euro-national currency exchange rate.

Firm sector of activity:

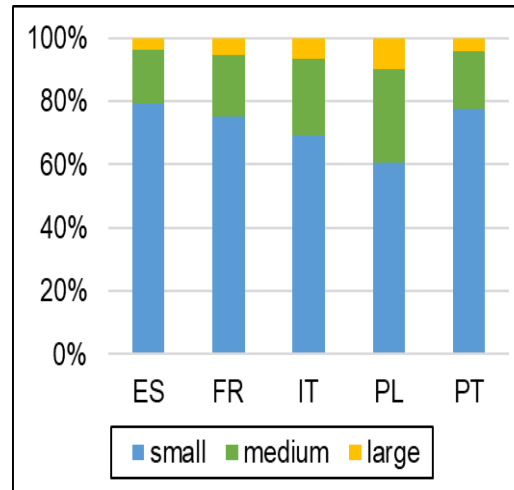
Firm basic sector of activity based on NACE Rev.2

Agriculture	A
Mining	B
Manufacturing	C
Energy and water	D, E
Construction	F
Trade	G
Services	H, I, J, L, M (excl. 701), N, P, Q, R, S

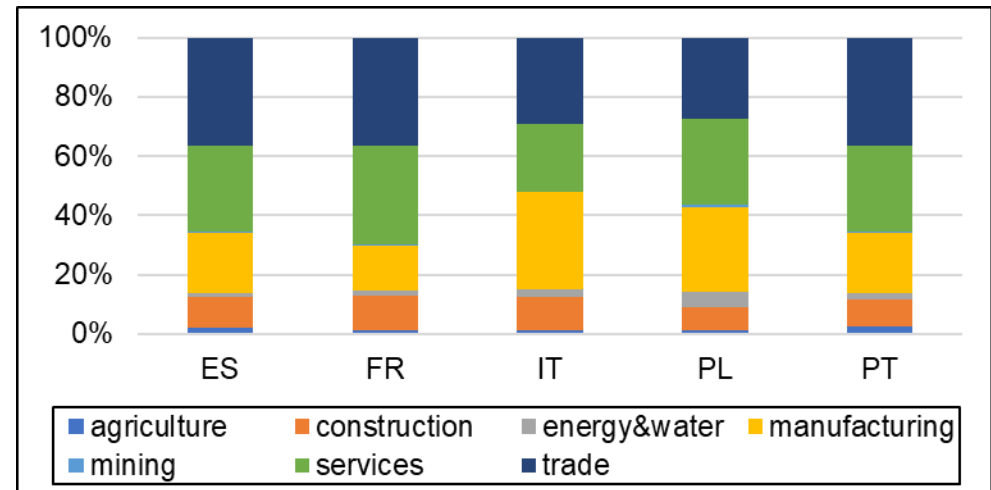
Number of companies by country (excluding micro)

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ES	48,123	51,050	52,593	54,070	54,187	47,131	50,488	59,893	61,672	53,452
FR	115,368	118,468	120,779	122,666	126,958	130,404	140,618	144,246	141,797	140,852
IT	79,416	76,078	81,415	84,010	86,214	80,096	91,609	101,168	102,936	96,990
PL	20,658	21,190	21,304	21,876	22,278	21,497	22,224	23,708	24,382	24,884
PT	16,143	16,871	18,168	18,907	19,582	18,178	20,323	22,161	22,476	22,852

Percentage of companies by firm size (excluding micro) in 2024



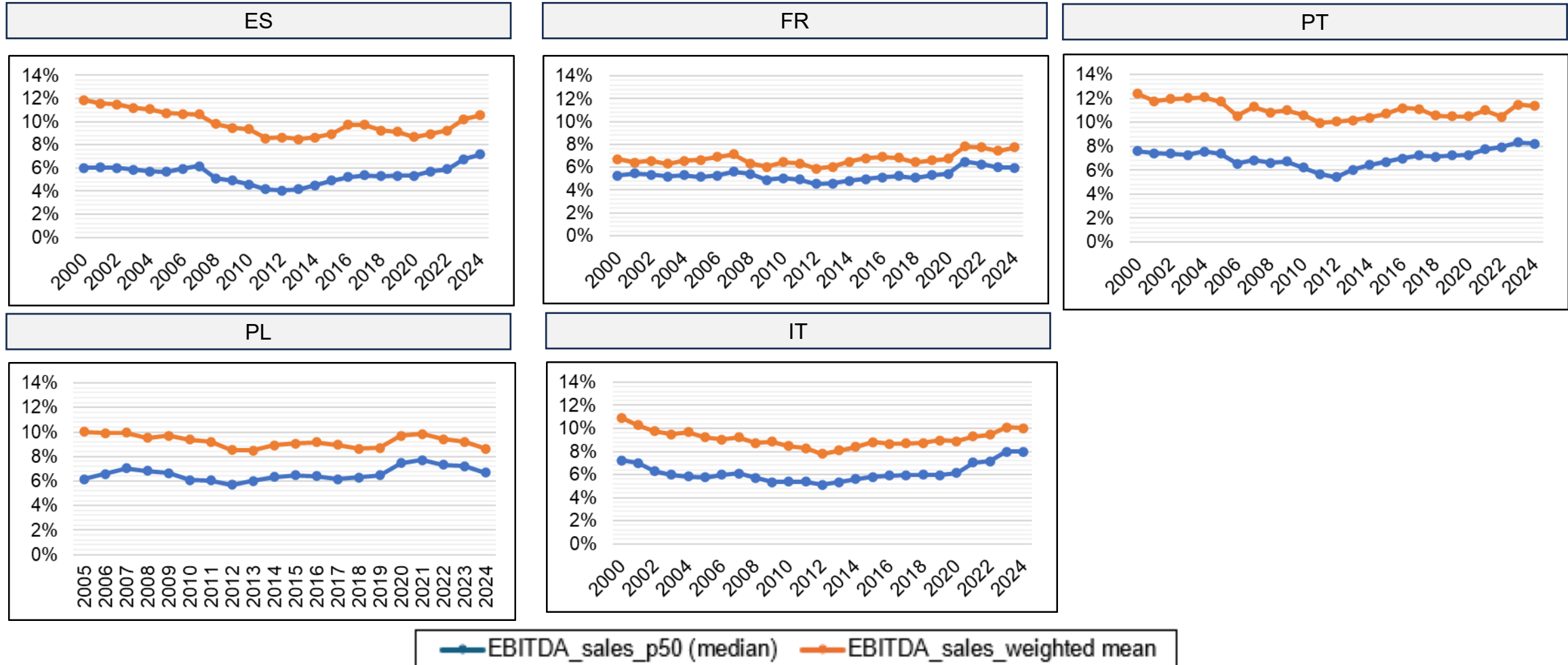
Percentage of companies by sector (excluding micro) in 2024





Appendix

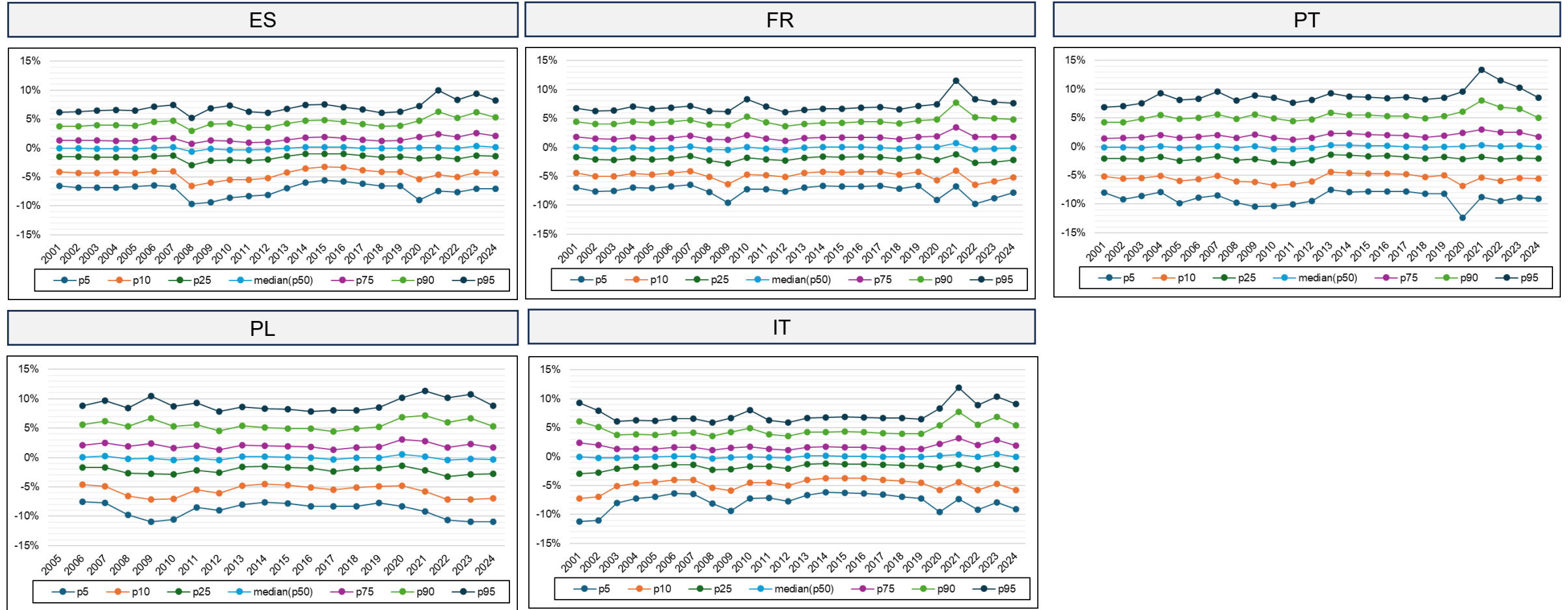
Figure A1: Median and weighted mean of profit margins on sales by country over time





Appendix

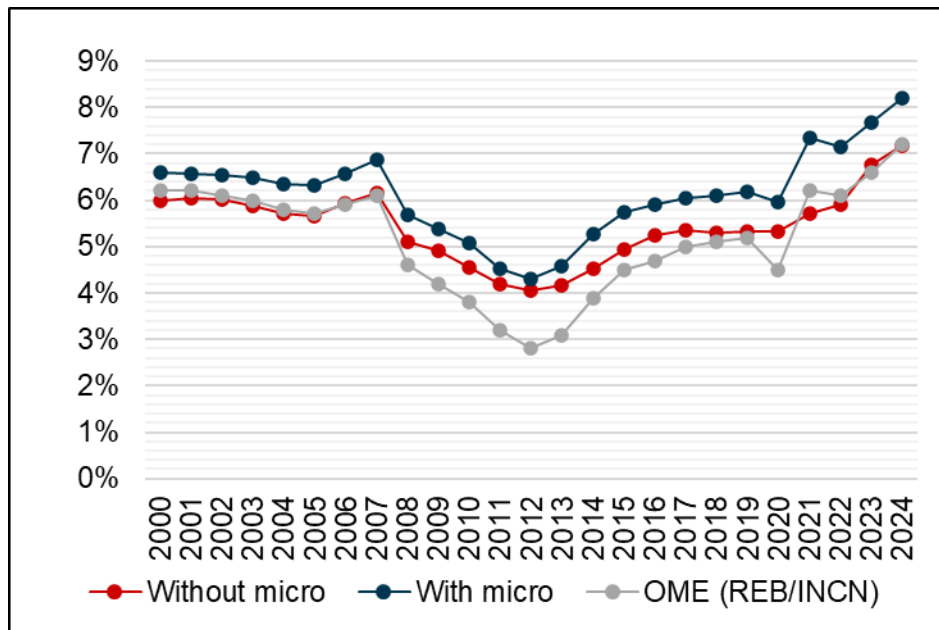
Figure A2: Distribution of percentiles margin on sales growth by country over time





Appendix

Figure A3: Median of margin on sales over time for Spain including micro firms



Note:

- The medians, including those of micro companies, continue increasing in 2024, consistent with the data provided by the Observatory of Margins in Spain ([OME](https://www.observatoriomargenes.es/wme/es/)). More information on methodology for OME is available here: <https://www.observatoriomargenes.es/wme/es/>
- Throughout the analyzed series, the median margin on sales is higher when micro firms are included than when they are excluded

Figure A4: Median of margin on sales for Spain including micro firms in 2023 and 2024

