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Industry Report

Sewerage 2016 BULGARIA

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I. KEY INDICATORS

- The Sewerage industry in Bulgaria was represented by 64 companies at the end of 2016, compared to 67 in the previous year and 69 in 2014.
- The industry's net loss amounted to BGN 2,911,000 in 2016.
- The industry's total revenue was BGN 17,353,000 in 2016, down by 0.28% compared to the previous year.
- The combined costs of the companies in the Sewerage industry reached BGN 20,002,000 in 2016, up by 27.05% year-on-year.
- The industry's total revenue makes up 0.02% to the country's Gross domestic product (GDP) in 2016, compared to 0.02% for 2015 and 0.02% in 2014.
- A total of 273 people were employed in the Sewerage industry in 2016, compared to 215 in 2015 and 203 in 2014.
- Most of the companies in the industry are based in Sofia, followed by Varna and Plovdiv.

II. INTRODUCTION

In 2016 the companies in the Sewerage industry numbered 64.

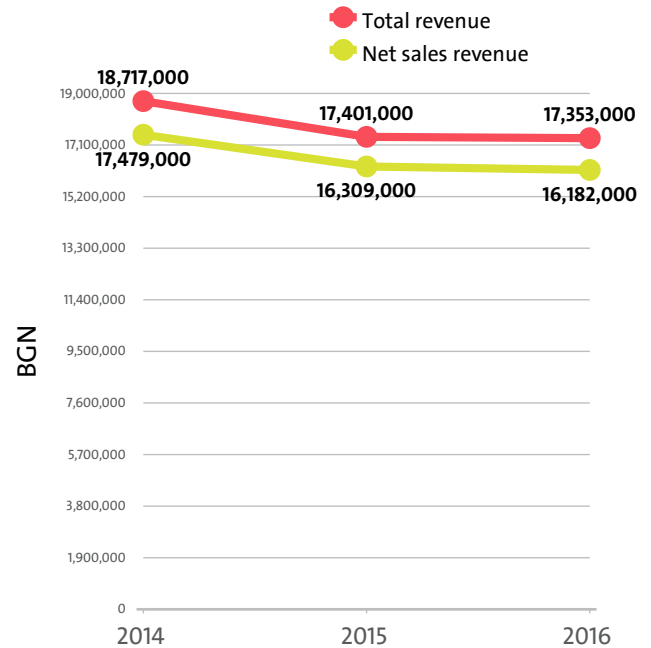
In 2015 there were a total of 67 companies operating in the industry. In 2014 their number totalled 69.

NUMBER OF COMPANIES IN SEWERAGE INDUSTRY BY SECTORS

SECTOR	2016	2015	2014
SEWERAGE	64	67	69

III. REVENUES

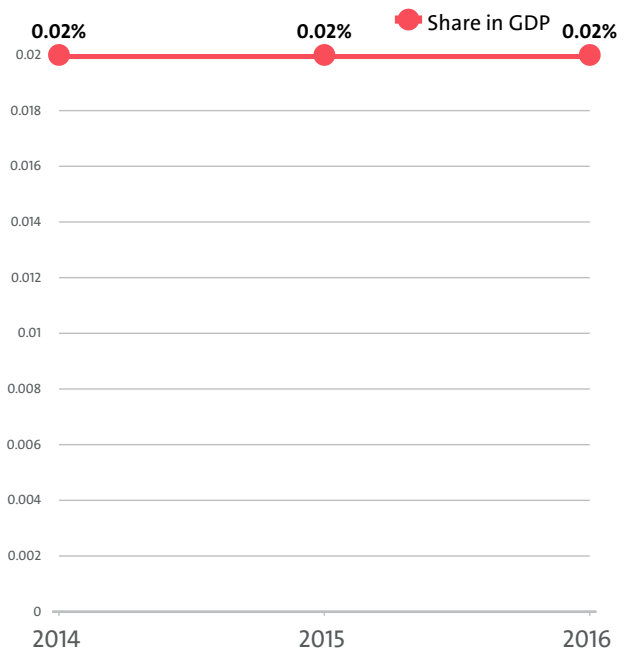
The total revenue in the industry was BGN 17,353,000 in 2016, BGN 17,401,000 in 2015 and 18,717,000 in 2014.



The companies in the Sewerage market of Bulgaria earned combined net sales revenues of BGN 16,182,000 in 2016.

In annual terms, sales marked a fall of 0.78% compared to 2015. In comparison to 2014 they fell by 7.42%. In 2015 sales went down by 6.69% year-on-year.

The Sewerage industry total revenue make up 0.02% to the country's GDP in 2016, compared to 0.02% for 2015 and 0.02% in 2014.



In 2016 the Sewerage industry contributed to GDP BGN 11,732,000 in Gross value added (GVA) accounting for 0.01% of the total for the country's economy.

In the previous year, the industry's GVA amounted BGN 15,525,000, accounting for 0.01% of the total for the country in 2015. In 2014 the GVA of the Sewerage was BGN 16,968,000, or 0.01% of the GVA for the country's economy.

We expect, based on the trend in the last three years, the total revenue of the Sewerage industry to change at a compound annual growth rate (CAGR) of -3.71% in 2017.

Sewerage contributed net sales revenue of BGN 16,182,000 or 100.00% of the total net sales in the industry.

There was no industry's sector to report a growth in net sales revenues. In terms of annual drop, the top position was occupied by Sewerage with 0.78%.

The top 10 companies in terms of total revenue in Sewerage accounted for 84.01% of the industry's total in 2016, 83.08% in 2015 and 82.60% in 2014.

TOP 10 COMPANIES BY TOTAL AND NET SALES REVENUE IN THE INDUSTRY

RANK	COMPANY	TOTAL REVENUE (BGN)	NET SALE REVENUE (BGN)
1	EKOTOI SERVICE OOD	6,193,000	5,708,000
2	NIKMAN KANAL SERVIC EOOD	1,968,000	1,803,000
3	EKOW C EOOD	1,342,000	1,245,000
4	EVROKANAL EOOD	1,298,000	1,298,000
5	AKVA BIO HIM OOD	1,143,000	1,140,000
6	P TRADE EOOD	939,000	939,000
7	VIKI INVEST 1 EOOD	730,000	730,000
8	PSOV - LEKO KO EOOD	357,000	357,000
9	PHOENIX BT EOOD	328,000	41,000
10	OTVODNITELNI USLUGI EOOD	280,000	222,000

The total revenues of the top 10 companies in the Sewerage were 0.02% of GDP in 2016, compared to 0.02% for 2015 and 0.02% in 2014.

The top 10 by assets in the Sewerage field made up BGN 12,708,000, or 78.53% of the total net sales revenue.

TOP 10 BY TOTAL ASSETS IN THE INDUSTRY

RANK	COMPANY	BGN
1	EKOTOI SERVICE OOD	8,038,000
2	NIKMAN KANAL SERVIC EOOD	3,957,000
3	VIKI INVEST 1 EOOD	2,998,000
4	VIK CHAMKORIA - 2006 EOOD	2,742,000
5	AKVA BIO HIM OOD	2,740,000
6	EKOW C EOOD	1,395,000
7	OTVODNITELNI USLUGI EOOD	1,365,000
8	EVROKANAL EOOD	1,172,000
9	BIOMET - 2000 OOD	656,000
10	ZLATNATA RAKA EOOD	532,000

TOP 10 COMPANIES WITH HIGHEST ANNUAL GROWTH IN OPERATING REVENUE IN SEWERAGE

RANK	COMPANY	Y/Y GROWTH
1	ET ANA-73-SASHO OBREtenOV	414.29%
2	KANAL SERVIC EOOD	250.00%
3	EKO CHISTOTA BULGARIA EOOD	180.49%
4	WATER FOX EOOD	113.79%
5	EKO WC EOOD	112.31%
6	PSOV - LEKO KO EOOD	57.96%
7	KANAL PRO EOOD	57.14%
8	INFRA OAZIS OOD	50.00%

9	DZZD MAREVI	50.00%
10	TORNADO 2015 EOOD	31.82%

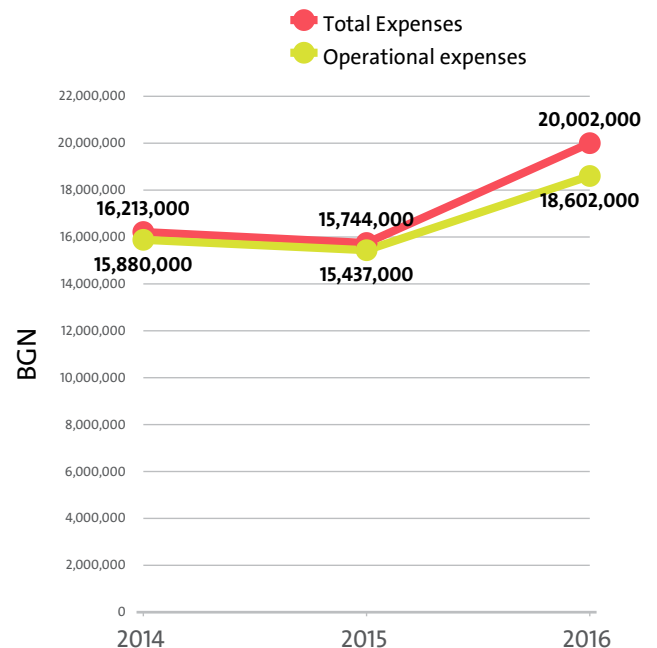
TOP 10 COMPANIES BY TOTAL REVENUE IN THE INDUSTRY WERE:

COMPANY	BGN
EKOTOI SERVICE OOD	6,193,000
NIKMAN KANAL SERVIC EOOD	1,968,000
EKOW C EOOD	1,342,000
EVROKANAL EOOD	1,298,000
AKVA BIO HIM OOD	1,143,000
P TRADE EOOD	939,000
VIKI INVEST 1 EOOD	730,000
PSOV - LEKO KO EOOD	357,000
PHOENIX BT EOOD	328,000
OTVODNITELNI USLUGI EOOD	280,000

The 10 largest companies in terms of total revenue in sector Sewerage earned total revenue of BGN 14,578,000 and accounted for 84.01% of the industry's total revenue.

IV. EXPENSES

The combined costs of the companies in the Sewerage industry reached BGN 20,002,000 in 2016.



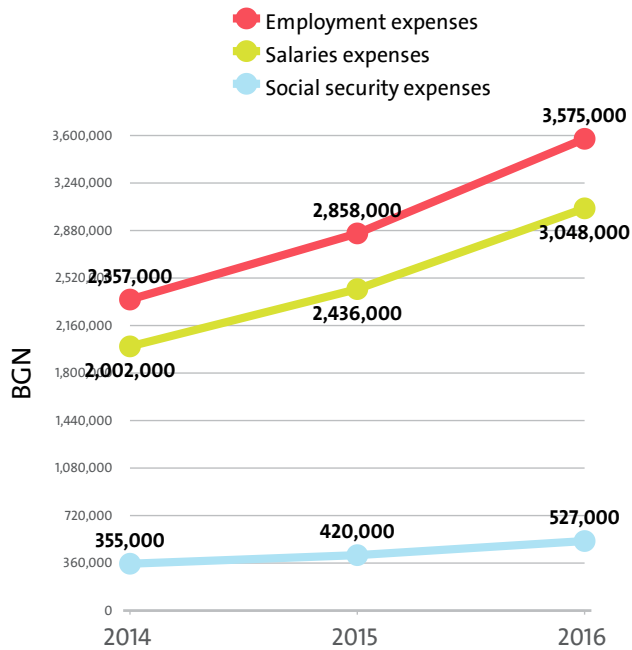
In annual terms, total expenses went up by 27.05% compared to 2015 and went up by 23.37% in comparison to 2014.

The total operating expenses of the companies in the Sewerage industry were BGN 18,602,000 in 2016.

Operating costs increased by 20.50% compared with the previous year and increased by 17.14% when compared to 2014.

We expect, based on the trend in the last three years, the total costs of the Sewerage industry to change at a compound annual growth rate (CAGR) of 11.07% in 2017.

Employment expenses in the Sewerage industry grew by 25.09% on the year to BGN 3,575,000 in 2016.



The highest growth in labour costs, of 25.09%, was registered by Sewerage.

The monthly costs per employee in the Sewerage industry averaged BGN 1,091 in 2016, BGN 1,108 in 2015 and BGN 968 in 2014.

The monthly social security costs per employee in the industry averaged BGN 161 in 2016, versus BGN 163 in 2015 and BGN 146 in 2014.

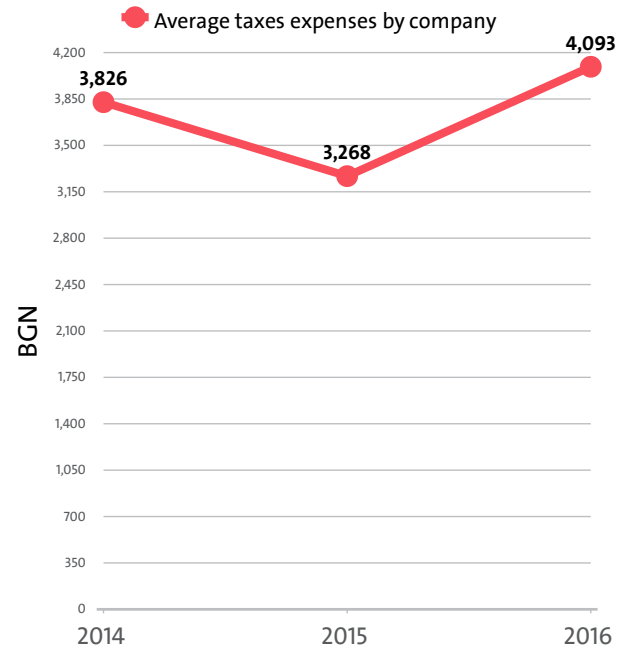
EMPLOYMENT EXPENSES IN SEWERAGE BY SECTORS IN 2016

RANK	SECTOR	EMPLOYMENT EXPENSES (BGN)	AVERAGE EXPENSES PER EMPLOYEE (BGN)
1	SEWERAGE	3,575,000	13,095

THE TOP 10 COMPANIES BY AVERAGE MONTHLY COSTS PER EMPLOYEE IN THE INDUSTRY

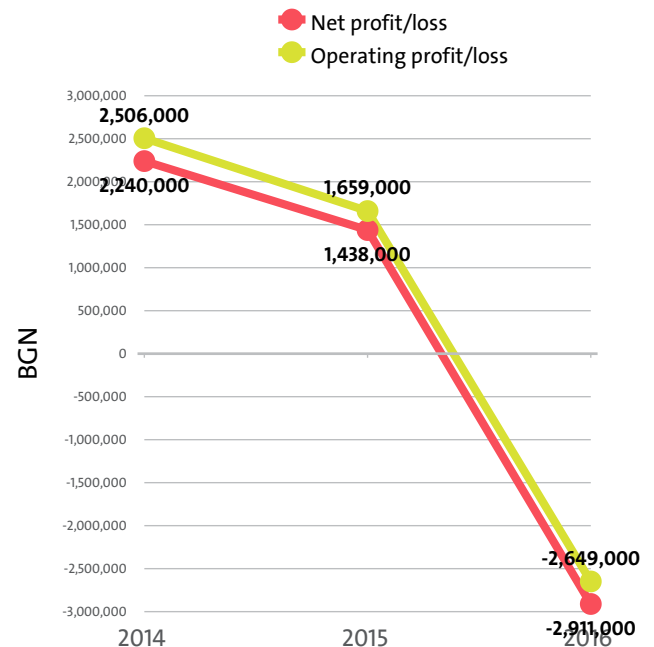
RANK	COMPANY	BGN
1	EKO WC EOOD	1,708
2	EKOTOI SERVICE OOD	1,677
3	BIOMET - 2000 OOD	1,469
4	PHOENIX BT EOOD	1,467
5	EKOW C EOOD	1,266
6	ZLATNATA RAKA EOOD	1,208
7	AFM-CHISTOTA OOD	1,167
8	AKVA BIO HIM OOD	1,167
9	BIZONE FOOD	852
10	S&D PARTNERS OOD	833

The industry's tax expenses stood at BGN 262,000 in 2016. In 2015 it paid taxes of BGN 219,000. In 2014 the industry paid BGN 264,000 in taxes.



V. PROFITABILITY

The industry's net loss amounted to BGN 2,911,000 in 2016, compared to a net profit of BGN 1,438,000 in 2015 and a net profit of BGN 2,240,000 in 2014.



TOP 10 COMPANIES BY HIGHEST NET PROFIT IN SEWERAGE

RANK	COMPANY	BGN
1	NIKMAN KANAL SERVIC EOOD	826,000
2	AKVA BIO HIM OOD	509,000
3	EVROKANAL EOOD	194,000
4	EKO CHISTOTA BULGARIA EOOD	132,000
5	KLININES - T EOOD	128,000
6	OTVODNITELNI USLUGI EOOD	123,000
7	PSOV - LEKO KO EOOD	109,000
8	EKOW C EOOD	84,000

9	EKOTOI SERVICE OOD	80,000
10	MARE KRONOS EOOD	68,000

9	EKO KARTON FOOD	20,000	MONTANA
10	KLININES - T EOOD	14,222	SVISHTOV

TOP COMPANIES BY HIGHEST NET LOSS IN SEWERAGE

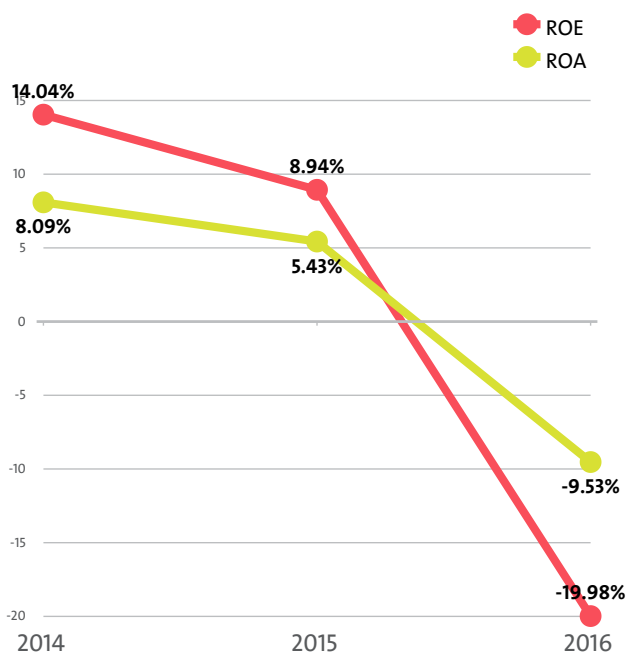
RANK	COMPANY	BGN
1	VIKI INVEST 1 EOOD	5,207,000
2	VIK CHAMKORIA - 2006 EOOD	123,000
3	PHOENIX BT EOOD	120,000
4	BIZONE EOOD	77,000
5	PSOV SHKORPILOVTSI DZZD	10,000

In 2016 the Sewerage industry swung to an operating loss of BGN 2,649,000 from an operating profit of BGN 1,659,000 in 2015.

The profit margin for the Sewerage industry stood at -15.31% in 2016, while in 2015 it amounted to 9.59% and 13.45% in 2014.

The Sewerage industry's return on equity (ROE) is -19.98% compared to 8.94% in 2015 and 14.04% in 2014.

The Sewerage's return on assets (ROA) was -9.53%, while in 2015 it amounted to 5.43% and 8.09% in 2014.



TOP 10 COMPANIES BY HIGHEST AVERAGE NET PROFIT PER EMPLOYEE IN SEWERAGE

RANK	COMPANY	BGN	COMPANY HEADQUARTERS (CITY)
1	AKVA BIO HIM OOD	254,500	STARA ZAGORA
2	OTVODNITELNI USLUGI EOOD	61,500	SOFIA
3	WATER FOX EOOD	61,000	SOFIA
4	EKO CHISTOTA BULGARIA EOOD	33,000	VARNA
5	ZIMER OOD	25,500	PLOVDIV
6	S&D PARTNERS OOD	25,000	PANCHAREVO
7	MARE KRONOS EOOD	22,667	VARNA
8	NIKMAN KANAL SERVIC EOOD	21,179	VARNA

About 30.00% of the 10 leading companies in terms of net profit per employee are located in VARNA, while 20.00% are SOFIA-based and 10.00% are headquartered in STARA ZAGORA.

The average net sales revenue per employee in the Sewerage industry amounted to BGN 59,275 in 2016, down by 21.86% compared to 2015 and down by 31.16% compared to 2014.

The industry's average operating revenue per employee dropped by 21.22% year-on-year in 2016 to BGN 63,363. It went down by 30.95% compared to 2014.

The Sewerage industry generated an average BGN 63,564 in total revenue per employee. In 2015 and 2014 the figure was BGN 80,935 and BGN 92,202, respectively.

The average total revenue per company in the Sewerage industry increased to BGN 271,141 in 2016 from BGN 259,716 in 2015. The 2014 value was BGN 271,261.

A company in the Sewerage market made on average a net sales revenue of BGN 252,844 in 2016, compared to BGN 243,418 in 2015 and BGN 253,319 in 2014.

The Sewerage industry made 0.01% of the overall sales country-wide.

Operating profit per employee for the industry as a whole was BGN -9,703 in 2016. For comparison in 2015 it amounted to BGN 7,716 and BGN 7,716 in 2014.

THE TOP BY OPERATIONAL PROFIT PER EMPLOYEE IN SEWERAGE

RANK	COMPANY	BGN
1	AKVA BIO HIM OOD	283,000
2	OTVODNITELNI USLUGI EOOD	68,000
3	WATER FOX EOOD	68,000
4	EKO CHISTOTA BULGARIA EOOD	33,000
5	ZIMER OOD	28,500

TOP 10 COMPANIES WITH HIGHEST CORRELATION OPERATING REVENUE - NUMBER OF EMPLOYEES - EMPLOYMENT EXPENSES*

RANK	COMPANY NAME	CORRELATION (BGN)
1	AKVA BIO HIM OOD	556,500
2	P TRADE EOOD	179,800
3	VIKI INVEST 1 EOOD	138,400
4	OTVODNITELNI USLUGI EOOD	131,500
5	WATER FOX EOOD	117,000
6	S&D PARTNERS OOD	109,000
7	ZIMER OOD	78,000
8	EKOTOI SERVICE OOD	55,171
9	EKO CHISTOTA BULGARIA EOOD	52,500
10	EVROKANAL EOOD	51,909

*The correlation is calculated by subtracting the quotient of the operating profit, and the employment expenses to the number of employees.

AVERAGE REVENUES PER EMPLOYEE IN SEWERAGE IN 2016

SECTOR	AVERAGE NET SALES REVENUE (BGN)	AVERAGE OPERATING REVENUE (BGN)	AVERAGE TOTAL REVENUE (BGN)	NUMBER OF EMPLOYEES
SEWERAGE	59,275	63,363	63,564	273

AVERAGE REVENUE PER COMPANY IN SEWERAGE IN 2016

SECTOR	AVERAGE NET SALES REVENUE (BGN)	AVERAGE OPERATING REVENUE (BGN)	AVERAGE TOTAL REVENUE (BGN)	NUMBER OF COMPANIES
SEWERAGE	252,844	270,281	271,141	64

The total indebtedness of the companies in the Sewerage industry was BGN 14,746,000 versus BGN 8,673,000 a year ago. In 2014 the industry's indebtedness totalled BGN 10,598,000.

Debt-to-assets ratio of the companies in the industry is 0.48 in 2016. It was 0.33 in 2015 and 0.38 in 2014.

According to market experts, the greatest impact on the development of the Sewerage industry has operating profit / loss. In 2016 it stood at BGN -2,649,000, according to the financial statements of the companies in the industry. In 2015 the figure was BGN 1,659,000 and BGN 2,506,000 in 2014.

VI. EMPLOYMENT

A total of 273 people were employed in the Sewerage market at the end of 2016, compared to 215 in 2015 and 203 in 2014.

The analysis on companies' sizes by the number of employees, shows that 30 firms have less than 50 employees*, 1 have between 50 and 250 employees*.

** Companies without data in the number of employees at end of the year are not taken into consideration.*

The employees of the leading 10 companies when it comes to numbers make up 82.42% of the workforce in the industry in 2016.

TOP 10 COMPANIES BY SHARE IN INDUSTRY'S TOTAL NUMBER OF EMPLOYEES

RANK	COMPANY	NUMBER OF EMPLOYEES	SHARE
1	EKOTOI SERVICE OOD	82	30.04%
2	NIKMAN KANAL SERVIC EOOD	39	14.29%
3	EKOW C EOOD	31	11.36%
4	EVROKANAL EOOD	22	8.06%
5	PSOV - LEKO KO EOOD	13	4.76%
6	BIZONE EOOD	9	3.30%
7	KLININES - T EOOD	9	3.30%
8	BIOMET - 2000 OOD	8	2.93%
9	ZLATNATA RAKA EOOD	6	2.20%
10	VIK CHAMKORIA - 2006 EOOD	6	2.20%

The Sewerage industry is the 81st largest employer in the country with 273 employees with the largest employer being Retail trade, except of motor vehicles and motorcycles with 234,189 and Libraries, archives, museums and other cultural activities at the bottom with 54 employees.

The Sewerage's share in the country's total employment was

0.01% in 2016, 0.01% in 2015 and 0.01% in 2014.

We expect, based on the trend in the last three years, the number of employees of the Sewerage industry to change at a compound annual growth rate (CAGR) of 15.97% in 2017.

The industry is represented by the following companies

 AKVATEK NOVA OOD

 EKO CHISTOTA BULGARIA EOOD

 FOKS 1929 EOOD

 HRI 2016 EOOD

 ZLATNATA RAKA EOOD

 AFM-CHISTOTA OOD

 BIZONE EOOD

 P TRADE EOOD

 VIKI INVEST 1 EOOD

 ET ZHIVKO KALACHEV

 KLININES - T EOOD

 PSOV - LEKO KO EOOD

 EKOTOI SERVICE OOD

 KAMPO-08 EOOD

 KANAL SERVIC EOOD

 AHP EOOD

 ASTORIA MANAGEMENT OOD

 BOZHINOV 2006 EOOD

 ALMAN OOD

 INFRA OAZIS OOD

 ALEKS GRUP 2011 EOOD

 OTVODNITELNI USLUGI EOOD

 TEHNIKS OOD

 LOZANOV GROUP EOOD

 ET MUSHI-GEORGI GEORGIEV

 AGAPIMU EOOD

 TOMPET EOOD

 WATER FOX EOOD

 DZZD MAREVI

 SOFCANAL OOD

 AKVASIST EKO OOD

 ZIMER OOD

 ET IDI-ILIJAN BACHEV

 S&D PARTNERS OOD

 BIOMET - 2000 OOD

 EKOSISTEMA OOD

 VANINA GEORGI SHIPCHANOV ET

 PETAR KOLEV 73 EOOD

 PSOV SHKORPILOVTSI DZZD

 STRAHIL GEORGIEV ICHO ET

 VIK CHAMKORIA - 2006 EOOD

 EKO WC EOOD

 EKO RADO 2016 EOOD

 IVANOV 19 20 DZZD

 ET EKOSTIL - VIDYO VIDEV

 AP-PA INZHINERING EOOD

 EVROKANAL EOOD

 KANAL PRO EOOD

 MARE KRONOS EOOD

 EKO KARTON EOOD

 ET ANA-73-SASHO OBRETE NOV

 VODOLEI 84 EOOD

 ANZHEL 2007 EOOD

 AKVA BIO HIM OOD

 ECOINVEST 2000 EOOD

 KV KVIT OOD

 NIKMAN KANAL SERVIC EOOD

 PAYP STROY GRUP EOOD

 TORNADO 2015 EOOD

 SOFIA CANAL EOOD

 EKOW C EOOD

 PSOV ELENITE EOOD

 SPRINT - YORDAN DIMITROV ET

 PHOENIX BT EOOD

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