

# SeeNews

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## Industry Report

### Construction of buildings 2016 ROMANIA

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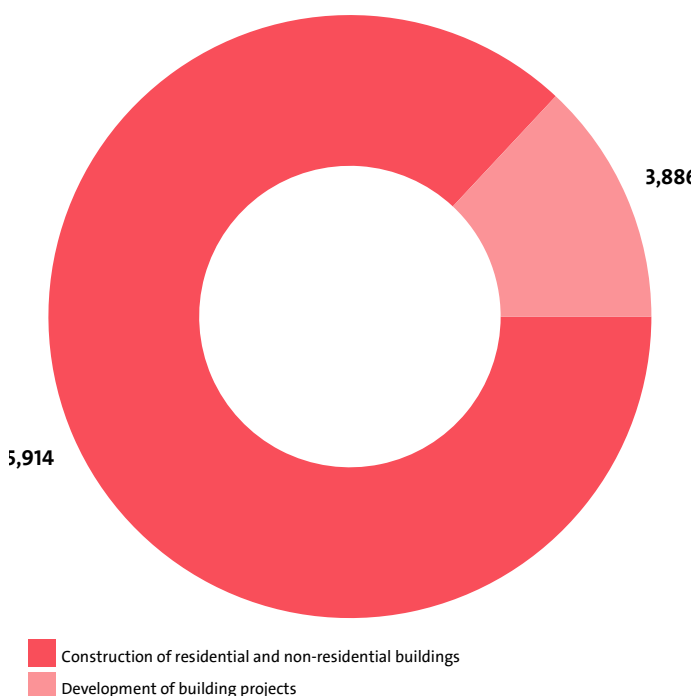
## I. KEY INDICATORS

- The Construction of buildings industry in Romania was represented by 29,800 companies at the end of 2016, compared to 27,902 in the previous year and 25,897 in 2014.
- The industry's net profit amounted to RON 1,572,627,279 in 2016.
- The industry's total revenue was RON 38,762,324,254 in 2016, up by 3.51% compared to the previous year.
- The combined costs of the companies in the Construction of buildings industry reached RON 36,606,279,049 in 2016, up by 0.94% year-on-year.
- The industry's total revenue makes up 4.16% to the country's Gross domestic product (GDP) in 2016, compared to 4.34% for 2015 and 3.73% in 2014.
- A total of 152,789 people were employed in the Construction of buildings industry in 2016, compared to 149,040 in 2015 and 134,631 in 2014.
- Most of the companies in the industry are based in Bucharest, followed by Cluj and Timis.

## II. INTRODUCTION

In 2016 the companies in the Construction of buildings industry numbered 29,800, distributed in 2 sectors.

INDUSTRY STRUCTURE BY SECTORS AND NUMBER OF COMPANIES



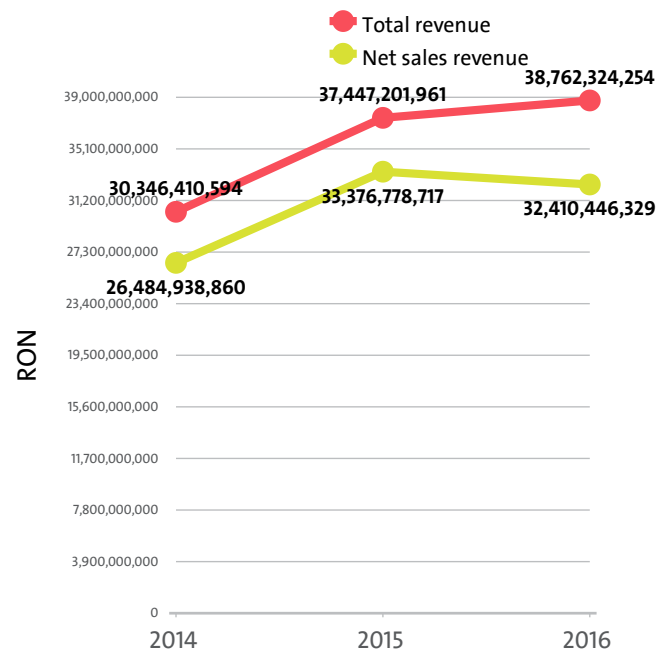
In 2015 there were a total of 27,902 companies operating in the industry. In 2014 their number totalled 25,897.

NUMBER OF COMPANIES IN CONSTRUCTION OF BUILDINGS INDUSTRY BY SECTORS

SECTOR	2016	2015	2014
CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	25,914	24,195	22,412
DEVELOPMENT OF BUILDING PROJECTS	3,886	3,707	3,485

## III. REVENUES

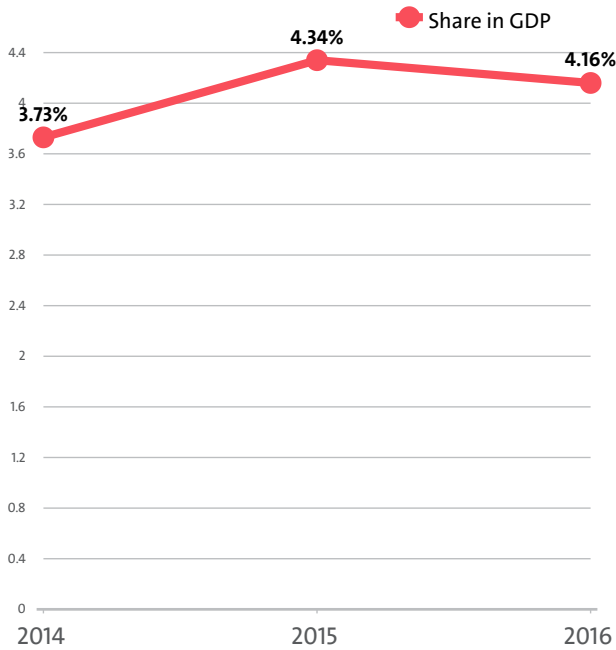
The total revenue in the industry was RON 38,762,324,254 in 2016, RON 37,447,201,961 in 2015 and 30,346,410,594 in 2014.



The companies in the Construction of buildings market of Romania earned combined net sales revenues of RON 32,410,446,329 in 2016.

In annual terms, sales marked a decline of 2.90% compared to 2015. In comparison to 2014 they increased by 22.37%. In 2015 sales increased by 26.02% year-on-year.

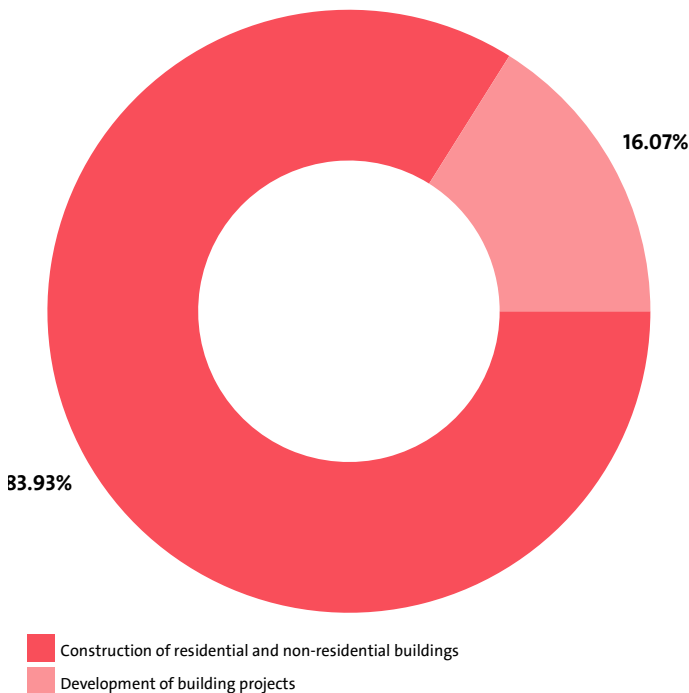
The Construction of buildings industry total revenue make up 4.16% to the country's GDP in 2016, compared to 4.34% for 2015 and 3.73% in 2014.



We expect, based on the trend in the last three years, the total revenue of the Construction of buildings industry to change at a compound annual growth rate (CAGR) of 13.02% in 2017.

Construction of residential and non-residential buildings contributed net sales revenue of RON 27,202,869,858 or 83.93% of the total net sales in the industry, and sector Development of building projects - RON 5,207,576,471 (16.07%).

INDUSTRY'S NET SALES REVENUE STRUCTURE BY SECTORS



The highest growth, of 30.06%, was recorded by Development of building projects, while Construction of residential and non-residential buildings registered the sharpest decline, of 7.39%.

#### TOP COMPANIES' REVENUE BY SECTORS

SEGMENT	COMPANY	TOTAL REVENUE (RON)	NET SALES REVENUE (RON)
<b>CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS</b>			
	STRABAG SRL	963,483,323	911,051,869
	BOG 'ART SRL	507,014,637	500,506,120
	CONSTRUCTII ERBASU SA	413,049,668	380,271,466
<b>DEVELOPMENT OF BUILDING PROJECTS</b>			
	HOINAR COM SRL	253,893,858	0
	IMPACT DEVELOPER AND CONTRACTOR SA	194,514,454	148,746,857
	ELJ VATRA SRL	184,304,649	118,629,617

The top 10 companies in terms of total revenue in Construction of buildings accounted for 10.43% of the industry's total in 2016, 10.74% in 2015 and 10.36% in 2014.

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

RANK	COMPANY	TOTAL REVENUE (RON)	NET SALE REVENUE (RON)
1	STRABAG SRL	963,483,323	911,051,869
2	BOG 'ART SRL	507,014,637	500,506,120
3	CONSTRUCTII ERBASU SA	413,049,668	380,271,466
4	CON-A SRL	398,722,540	362,614,350
5	PORR CONSTRUCT SRL	396,160,746	206,418,206
6	ASTALDI SPA ITALIA SUCURSALA ROMANIA BUCURESTI	376,919,987	337,909,305
7	P.A.B. ROMANIA SRL	295,680,784	276,574,530
8	HOINAR COM SRL	253,893,858	0
9	DANYA CEBUS ROM SRL	231,044,764	188,432,731
10	AKTOR SOCIETATE TEHNICA ANONIMA (AKTOR SA) - GRECIA - SUCURSALA BUCURESTI, ROMANIA	206,710,382	169,206,920

The total revenues of the top 10 companies in the Construction of buildings were 0.43% of GDP in 2016, compared to 0.47% for 2015 and 0.39% in 2014.

The top 10 by assets in the Construction of buildings field made up RON 1,749,573,844, or 5.40% of the total net sales revenue.

#### TOP 10 BY TOTAL ASSETS IN THE INDUSTRY

RANK	COMPANY	RON
1	REWE PROJEKTENTWICKLUNG ROMANIA SRL	1,399,101,414
2	ELJ VATRA SRL	1,312,414,360
3	ASTALDI SPA ITALIA SUCURSALA ROMANIA BUCURESTI	1,277,459,752
4	PARKLAKE SHOPPING S.A.	979,544,626
5	COMPANIA NATIONALA DE INVESTITII "C.N.I." SA	921,373,848
6	CORINTHIAN FIVE SRL	765,663,437
7	WDP DEVELOPMENT RO SRL	727,773,348
8	IMMOCHAN IMOBILIARE SRL	716,003,115
9	BOC REAL PROPERTY SRL	663,653,919
10	STRABAG SRL	613,829,416

#### TOP 10 COMPANIES BY TOTAL REVENUE IN THE INDUSTRY CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS WERE:

COMPANY	RON
STRABAG SRL	963,483,323
BOG 'ART SRL	507,014,637
CONSTRUCTII ERBASU SA	413,049,668
CON-A SRL	398,722,540
PORR CONSTRUCT SRL	396,160,746

ASTALDI SPA ITALIA SUCURSALA ROMANIA BUCURESTI	376,919,987
P.A.B. ROMANIA SRL	295,680,784
DANYA CEBUS ROM SRL	231,044,764
AKTOR SOCIETATE TEHNICA ANONIMA (AKTOR SA) - GRECIA - SUCURSALA BUCURESTI, ROMANIA	206,710,382
STRABAG AG AUSTRIA SUCURSALA BUCURESTI ROMANIA	200,315,015

The 10 largest companies in terms of total revenue in sector Construction of buildings earned total revenue of RON 3,989,101,846 and accounted for 10.29% of the industry's total revenue.

#### TOP 10 COMPANIES BY TOTAL REVENUE IN THE MARKET DEVELOPMENT OF BUILDING PROJECTS WERE:

COMPANY	RON
HOINAR COM SRL	253,893,858
IMPACT DEVELOPER AND CONTRACTOR SA	194,514,454
ELJ VATRA SRL	184,304,649
NGY PROPETIERS INVESTMENT SRL	176,948,642
CTP INVEST BUCHAREST SRL	173,572,593
RED SEA & SHIKUN & BINUI REAL ESTATE DEVELOPMENT SRL	158,802,966
BIMOB EU SRL	149,908,183
KESZ EPITO ES SZERELO ZRT SZEGED SUCURSALA CLUJ NAPOCA	138,966,153
IMOB CONSTRUCT CENTER SRL	131,965,190
IMMOCHAN IMOBILIARE SRL	123,378,964

The 10 largest companies in terms of total revenue in sector Construction of buildings earned total revenue of RON 1,686,255,652 and accounted for 4.35% of the industry's total revenue.

## IV. EXPENSES

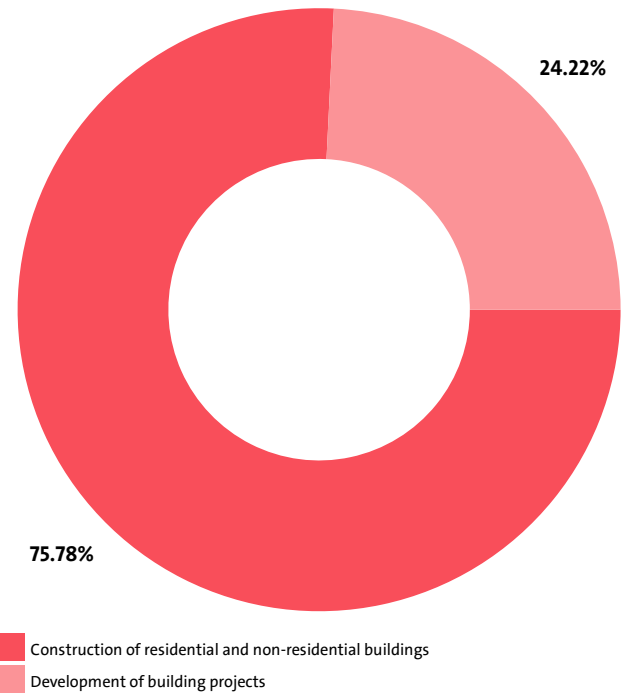
The combined costs of the companies in the Construction of buildings industry reached RON 36,606,279,049 in 2016.

In annual terms, total expenses went up by 0.94% compared to 2015 and grew by 23.47% in comparison to 2014.

We expect, based on the trend in the last three years, the total costs of the Construction of buildings industry to change at a compound annual growth rate (CAGR) of 11.12% in 2017.

Construction of residential and non-residential buildings reported the highest total costs, of RON 27,741,232,992, followed by Development of building projects with RON 8,865,046,057.

INDUSTRY'S TOTAL COSTS STRUCTURE BY SECTORS



Development of building projects marked the highest annual rise in total expenses, of 17.64%, while total expenses decreased the most, by 3.44%, for Construction of residential and non-residential buildings.

The biggest spenders in the industry, with costs of over 10% of industry's costs, numbered 34, including IASICON SA, VICTOR CONSTRUCT SRL, ELJ VATRA SRL, AKTOR SOCIETATE TEHNICA ANONIMA (AKTOR SA) - GRECIA - SUCURSALA BUCURESTI, ROMANIA, CONSTRUCTII ERBASU SA. The medium spenders, or those in the 5% and 10% range count 76 and include PETCU CONSTRUCT SRL, CTPARK BETA SRL, ALLIANSO BUSINESS PARK SRL, SKYTOWER BUILDING SRL, INTREPRINDERE MONTAJ-INSTALATII SA. Below 5% threshold are 29,690 companies, including KNAPP TESTVEREK SRL, IONIOANA STILL S.R.L., URANUS REAL ESTATE ESTABLISHMENT S.A. VADUZ SUCURSALA RAMNICU VALCEA, GABYX CONSTRUCT SRL, SMART CONSTRUCT STANDARD SRL.

Employment expenses in the Construction of buildings industry grew by 14.14% on the year to RON 3,838,913,404 in 2016.

The highest growth in labour costs, of 14.17%, was registered by Construction of residential and non-residential buildings.

The monthly costs per employee in the Construction of buildings industry averaged RON 2,094 in 2016, RON 1,881 in 2015 and RON 1,661 in 2014.

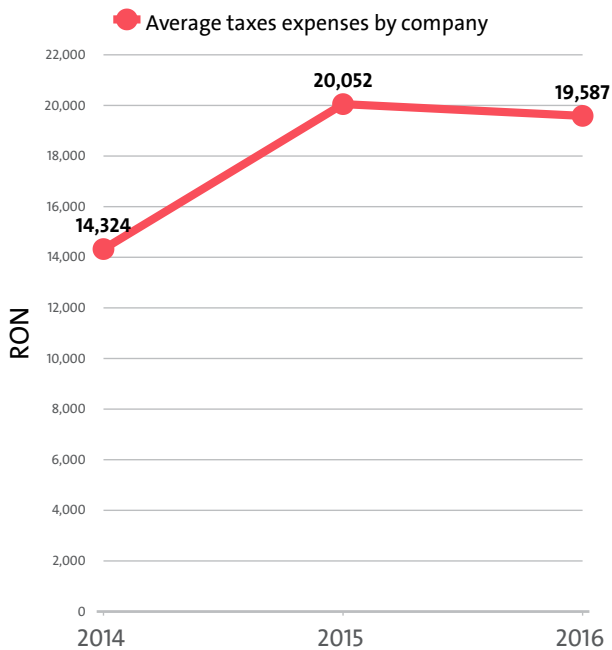
#### EMPLOYMENT EXPENSES IN CONSTRUCTION OF BUILDINGS BY SECTORS IN 2016

RANK	SECTOR	EMPLOYMENT EXPENSES (RON)	AVERAGE EXPENSES PER EMPLOYEE (RON)
1	CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	3,628,392,633	24,543
2	DEVELOPMENT OF BUILDING PROJECTS	210,520,771	42,547

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

RANK	COMPANY	RON
1	TEPE CONSTRUCT INVEST SRL	90,338
2	EDRASIS C. PSALLIDAS SA GRECIA SUCURSALA ROMANIA	84,801
3	CLASS ARMATURI SRL	71,671
4	UTI REAL ESTATE DEVELOPMENT SRL	45,206
5	DEPENBROCK ADMINISTRATOR SRL	38,018
6	GABI CONSTRUCT SRL	30,190
7	AXIA S.R.L. REGGIO EMILIA SUCURSALA BUCURESTI	28,928
8	AVIATIEI NORD REAL ESTATE DEVELOPMENT SRL	27,156
9	LAND IMOB DEVELOPMENT SRL	25,895
10	EDILCONST SA	25,087

The industry's tax expenses stood at RON 583,704,478 in 2016. In 2015 it paid taxes of RON 559,514,255. In 2014 the industry paid RON 370,954,256 in taxes.



#### EXPENSES ON TAXES BY SECTORS

RANK	SECTOR	RON	Y/Y CHANGE
1	CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	418,588,810	-9.90%
2	DEVELOPMENT OF BUILDING PROJECTS	165,115,668	73.94%

#### TOP 10 COMPANIES BY HIGHEST NET PROFIT IN CONSTRUCTION OF BUILDINGS

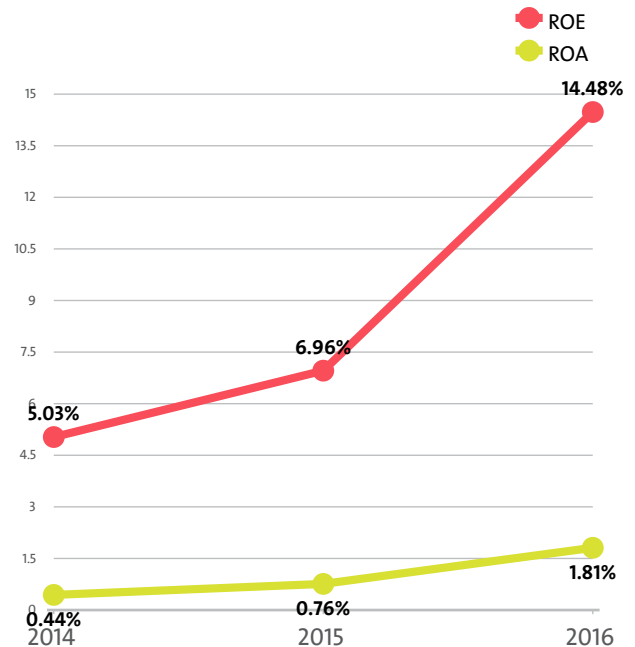
RANK	COMPANY	RON
1	HOINAR COM SRL	124,704,083
2	BIMOB EU SRL	121,172,223
3	DANYA CEBUS ROM DEVESELU SRL	69,167,389
4	DANYA CEBUS ROM SRL	55,138,958
5	RCB DEVELOPMENT & CONSULTING SRL	51,228,448
6	IMOB CONSTRUCT CENTER SRL	38,054,497
7	CONTEAM SRL	30,452,065
8	P.A.B. ROMANIA SRL	30,374,082
9	IMPACT DEVELOPER AND CONTRACTOR SA	29,610,138
10	DKM DEVELOPMENT SRL	28,489,682

#### TOP COMPANIES BY HIGHEST NET LOSS IN CONSTRUCTION OF BUILDINGS

RANK	COMPANY	RON
1	FADESA ROMANIA SRL	131,627,616
2	ELJ VATRA SRL	94,635,517
3	VORONET DEVELOPMENT SRL	83,924,022
4	ASTALDI SPA ITALIA SUCURSALA ROMANIA BUCURESTI	70,916,044
5	ARBORE INTERNATIONAL SRL	70,691,674

The Construction of buildings industry's return on equity (ROE) is 14.48% compared to 6.96% in 2015 and 5.03% in 2014.

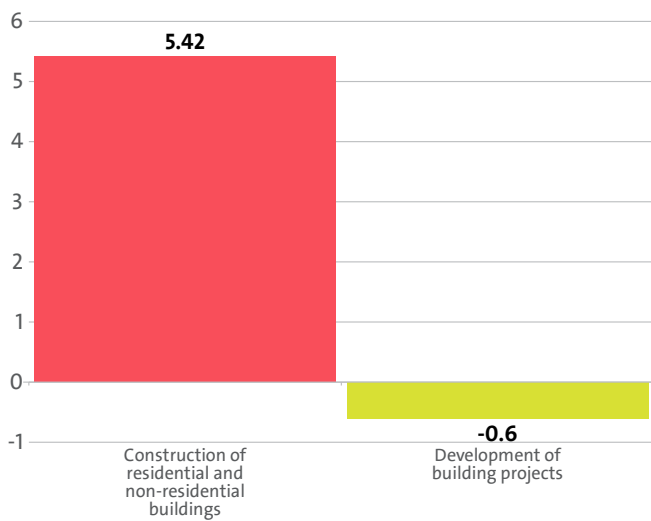
The Construction of buildings's return on assets (ROA) was 1.81%, while in 2015 it amounted to 0.76% and 0.44% in 2014.



## V. PROFITABILITY

The industry's net profit amounted to RON 1,572,627,279 in 2016, compared to a net profit of RON 611,775,480 in 2015 and a net profit of RON 326,629,350 in 2014.

LEADING INDUSTRY'S SECTORS BY ROA



LEADING INDUSTRY'S SECTORS BY ROE



#### TOP 10 COMPANIES BY HIGHEST AVERAGE NET PROFIT PER EMPLOYEE IN CONSTRUCTION OF BUILDINGS

RANK	COMPANY	RON	COMPANY HEADQUARTERS (CITY)
1	UPGROUND ESTATES SRL	27,890,009	BUCHAREST
2	BEL ROM TREI SRL	24,830,583	BUCHAREST
3	BIMOB EU SRL	17,310,318	ILFOV
4	NRE SIBIU SHOPPING CITY SRL	13,212,883	BUCHAREST
5	EXIGENT DEVELOPMENT SRL	12,673,172	BUCHAREST
6	EDIL ALEX ALESSIO SRL	12,521,988	MARAMUREȘ
7	ROM - CANADA GROUP SRL	8,950,438	BUCHAREST
8	ANCHOR OFFICE DEVELOPMENT AND MANAGEMENT SRL	8,031,028	BUCHAREST
9	CORINTHIAN TOWER SRL	7,826,161	BUCHAREST
10	ISG RESIDENCE II SRL	6,416,882	BUCHAREST

About 80.00% of the 10 leading companies in terms of net profit per employee are located in Bucharest, while 10.00% are Ilfov-based and 10.00% are headquartered in Maramures.

The average net sales revenue per employee in the Construction of buildings industry amounted to RON 212,126 in 2016, down by 5.28% compared to 2015 and up by 7.83% compared to 2014.

The Construction of buildings market generated an average RON 253,698 in total revenue per employee. In 2015 and 2014 the figure was RON 251,256 and RON 225,404, respectively.

The average total revenue per company in the Construction of buildings industry went down to RON 1,300,749 in 2016 from RON 1,342,097 in 2015. The 2014 value was RON 1,171,812.

A company in the Construction of buildings field made on average a net sales revenue of RON 1,087,599 in 2016, compared to RON 1,196,215 in 2015 and RON 1,022,703 in 2014.

The Construction of buildings industry made 2.72% of the overall sales country-wide, reducing its market share by 0.19 pp.

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

RANK	COMPANY NAME	CORRELATION (RON)
1	ROOTO IMPEX SRL	717

\*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 CONSTRUCTION OF BUILDINGS IN 2016

SECTOR	AVERAGE NET SALES REVENUE (RON)	AVERAGE TOTAL REVENUE (RON)	NUMBER OF EMPLOYEES
CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	184,001	203,220	147,841
DEVELOPMENT OF BUILDING PROJECTS	1,052,461	1,761,949	4,948

#### AVERAGE REVENUE PER COMPANY IN CONSTRUCTION OF BUILDINGS IN 2016

SECTOR	AVERAGE NET SALES REVENUE (RON)	AVERAGE TOTAL REVENUE (RON)	NUMBER OF COMPANIES
DEVELOPMENT OF BUILDING PROJECTS	1,340,087	2,243,469	3,886
CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	1,049,736	1,159,381	25,914

The total indebtedness of the companies in the Construction of buildings industry was RON 72,675,185,547 versus RON 36,899,582,472 a year ago. In 2014 the industry's indebtedness totalled RON 65,700,501,611.

#### INDUSTRY'S INDEBTEDNESS BY SECTORS (RON)

SECTOR	2016	2015	2014
DEVELOPMENT OF BUILDING PROJECTS	47,567,205,450	20,985,130,481	43,452,599,180
CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	25,107,980,097	15,914,451,991	22,247,902,431

Debt-to-assets ratio of the companies in the industry is 0.84 in 2016. It was 0.46 in 2015 and 0.88 in 2014.

## VI. EMPLOYMENT

A total of 152,789 people were employed in the Construction of buildings industry at the end of 2016, compared to 149,040 in 2015 and 134,631 in 2014.

### NUMBER OF EMPLOYEES BY INDUSTRY SECTORS

SECTOR	NUMBER	SHARE OF INDUSTRY TOTAL
CONSTRUCTION OF RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS	147,841	96.76%
DEVELOPMENT OF BUILDING PROJECTS	4,948	3.24%

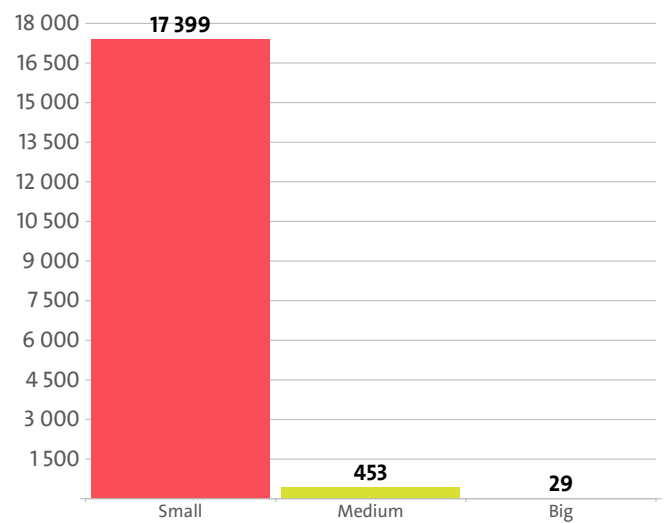
ALLOCATION OF EMPLOYEES BY INDUSTRY'S SECTORS



The analysis on companies' sizes by the number of employees, shows that 17399 firms have less than 50 employees\*, 453 have between 50 and 250 employees\* and 29 companies employ more than 250\*.

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

COMPANIES IN THE INDUSTRY BY SIZE IN TERMS OF NUMBER OF EMPLOYEES



The employees of the leading 10 companies when it comes to numbers make up 3.30% 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	CONSTRUCTII ERBASU SA	667	0.44%
2	STRABAG SRL	615	0.40%
3	CON-A SRL	580	0.38%
4	CONEXTRUST SA	541	0.35%
5	ASTALDI SPA ITALIA SUCURSALA ROMANIA BUCURESTI	487	0.32%
6	IASICON SA	458	0.30%
7	AEDIFICIA CARPATI SA	447	0.29%
8	EXPERT IBB CONSTRUCT S.R.L.	432	0.28%
9	BOG 'ART SRL	413	0.27%
10	RECON SA	404	0.26%

The Construction of buildings industry is the 5th largest employer in the country with 152,789 employees with the largest employer being Retail trade, except of motor vehicles and motorcycles with 437,697 and Activities of extraterritorial organisations and bodies at the bottom with 1 employees.

We expect, based on the trend in the last three years, the number of employees of the Construction of buildings industry to change at a compound annual growth rate (CAGR) of 6.53% in 2017.



# Do not hesitate to contact us

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