

PRESS RELEASE

COFACE PUBLISHES CEE TOP 500 COMPANIES: How resilient are the biggest companies in these turbulent times?

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- **Despite initial concerns about the impact of the Ukraine war on Central and Eastern European (CEE) economies, the region has demonstrated resilience. However, due to the energy crisis and rising costs, the region has been experiencing a gradual slowdown.**
- **Top 500 players: increase in turnover, net profits and employment, due to the macroeconomic developments**
- **Sectors: the oil & gas industry is the leader in the top 500, followed by utilities & public services and automotive & transport**
- **Poland hosts the largest businesses in the region, with a substantial 37.9% increase in aggregated turnover in 2022 compared to the previous year**

The challenges for businesses in the CEE region initially involved ongoing difficulties across various sectors despite the recovery from the impacts of the Covid-19 pandemic. *“Then the region was hit by Russia’s full-scale invasion of Ukraine, leading to both humanitarian and economic crises. This resulted in rising costs, especially in energy commodities, as well as shortages in production components and disruptions in supply chains,”* says **Grzegorz Sielewicz, Regional Economist Coface Central and Eastern Europe**, explaining the development in the region: *“Despite these challenges, the CEE region still managed to achieve solid GDP growth of 4.0% in 2022 (after 6.2% in the previous year), supported by growing inventories and robust domestic demand.”*

The international trade credit insurance company presents its 15th annual study on the biggest 500 companies in CEE. The *“Coface CEE Top 500 study”* ranks businesses by turnover and analyses additional factors such as the number of employees, the framework of the companies, sectors and markets, and the Coface company credit assessments. The economic performance of the CEE Top 500 serves as a representative indicator of the market trends throughout the entire region.

Top 500 players show increased turnover, net profit and workforce

“The macroeconomic environment and rising costs provided a fertile ground for business turnover growth. The results of the 2022 ranking of the region’s largest companies confirm this trend,” says **Jarosław Jaworski, CEO Coface Central and Eastern Europe**, explaining the positive picture of the study. Overall turnover of all 500 companies soared by 39.8% to 1.1 trillion euros. Aggregated net profits increased by +46.5% to 54,745 million. In addition, the 500 companies employed 2.3 million people (+3.5% vs. the previous year).

Poland leads the way and the automotive sector slows down

PKN Orlen remains unbeaten in its top position, significantly strengthening its ranking with a 111% increase in turnover, following a 52% increase in the previous year. Other companies such as **Czech RWE** (2nd), the multinational oil and gas company **MOL Hungary** (3rd), Hungarian **MVM Energetika** (4th), **Czech Skoda Auto** (5th), retailer **Jeronimo Martins Polska** (6th) and Polish energy company **PGE** (7th) have retained their positions at the top from previous rankings. All of these companies recorded higher turnover in 2022 compared to the previous year, electricity trading companies like RWE and MVM even reported triple-digit revenue growth. In contrast, the automotive sector was less represented in the top 10 this time.

Some companies have outperformed their competitors and proved to be more successful than the previous year. This group mainly comprises companies that especially mirrored the economic situation, i.e. benefited from a continued surge in commodity prices. That includes companies dealing with electricity trading and transmission, as well as petrochemical companies like Bulgarian **TETs Maritsa Iztok 2** (139th), which moved up 256 places thanks to an increase in turnover of 199%, **Croatian Petrol** (263rd), which moved up by 231 places, as well as Lithuanian **Ignitis UAB** (80th), which moved up 214 places, and Romanian **Tinmar Energy** (165th), which moved up by 202 places in the ranking.

Sectors: Changes in the leading group of three

The three key sectors represented by the largest companies in the region continue to account for a sizeable share of revenue generated, with almost 58%. However, the leading group of sectors changed this time. Soaring commodity prices led to surging turnover at companies producing and trading in energy. Therefore, the sectors of utilities & public services as well as minerals, chemicals, petroleum, plastics & pharma recorded the highest growth in turnover in 2022, namely by 64.1% and 60.9% respectively. Then prices of agricultural commodities and various other inputs soared too, and all sectors recorded double-digit dynamics in turnover growth, except for construction, which reported an increase of 8.1%.

The minerals, chemicals, petroleum, plastics & pharma sector is again the largest in the CEE Top 500 ranking. The sector experienced the highest surge in net profits (+100.5%) as rising oil and natural gas prices presented opportunities for profit generation through refining margins, despite the ongoing challenges.

The **utilities & public services** sector moved up from fourth to second position thanks to exceptional revenue growth (+64.1%). Compared to the previous year, this sector increased its representation in the current ranking by 15, making this the biggest increase among all sectors. Many utilities & public services companies are state-owned or the state is involved as part of their ownership structure.

Although **automotive & transport** remains among the top sectors, it has faced challenges including decreased demand due to the pandemic and supply chain disruptions, resulting in reduced revenue despite some growth in turnover and profits. The industry remains dominant in four countries: Czech Republic, Hungary, Romania and Slovakia.

“CEE countries have maintained their role as active exporters, primarily to Western Europe, and have also expanded their exports to more distant destinations through direct shipments and supply chain involvement. However, the main risk in 2023 is the challenging external economic environment in Western Europe, particularly in Germany, which may affect CEE countries due to weak economic activity and subdued global



trade,” explains **Grzegorz Sielewicz**. “Despite this, a gradual recovery is anticipated in the coming quarters. While household consumption has been affected by inflation and higher interest rates, it is expected to gradually contribute to growth as disinflation progresses and the labour market remains strong.”

If the external economic situation also improves, the path to recovery would be clear, and the CEE countries could once again record growth rates in line with their potential. However, corporate liquidity could be affected by challenges. Corporate insolvencies have already increased with the end of support measures and exceeded pre-pandemic levels due to the macroeconomic deterioration,” adds **Jarosław Jaworski**.

Click here to download the full study

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