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EUROSYSTÈME

Companies

The financial situation of the major groups recovered in 2021, after the shock of the health crisis

After the public support measures introduced in France in 2020, the activity of the major groups was particularly strong in 2021, driven by a strong global recovery. Thanks to this recovery, the earnings of all their affiliates were very robust. On a consolidated basis at the end of 2021, the major French groups therefore emerged from the 2020 health crisis with balance sheet structures that returned to pre-Covid levels.

In 2021, their profitability improved and their financial debt decreased, which strengthened their financial autonomy.

These aggregate developments nevertheless varied across sectors of activity and were less encouraging for the accommodation and food services sector and, to a lesser extent, for the education, health and information and communication sectors.

By the end of 2021, however, the major French groups were in a good position to deal with the new disruptions caused by the war in Ukraine.

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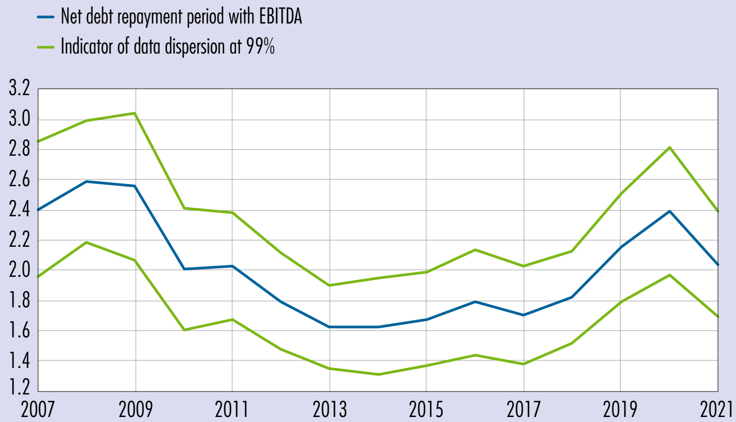
JEL codes
E22, G30,
L25

+15%
the average increase in the turnover of the major groups in 2021

–25%
the decline in the average net leverage ratio of the major groups in 2021

45
available cash as reflected by number of days of median turnover in 2021

Net debt repayment period
(years of EBITDA)



Source: Banque de France, FIBEN database (end-July 2022 data).
Key: The lower the ratio, the lower the credit risk.
Note: EBITDA: earnings before interest, taxes, depreciation and amortisation.

This article analyses the economic and financial position of the major French non-financial groups, as reflected by their balance sheets in 2021, using the consolidated accounts in the Banque de France's FIBEN company database (see Appendix 2). The study covers a total of 214 major groups.

1 Activity and earnings recovered after the severe impact of the health crisis in 2020

The rise in the activity of the major groups has led to an increase in their value added

In 2021, the value added (VA) of the major groups grew by an average of 15.4% year-on-year, while GDP in France rose by only 8.2% at current prices (6.8% at constant prices)[1] – see Chart 1a. The activity of the major French groups therefore grew at a much faster rate than the French economy as a whole, and even faster than the world economy. In 2020, the activity of the major groups declined at almost the same rate as the French economy.

As measured by the turnover, activity rose at an equivalent rate, i.e. 15.1% on average (see Chart 1b). For over half of the major groups, it increased by more than 12.1%.

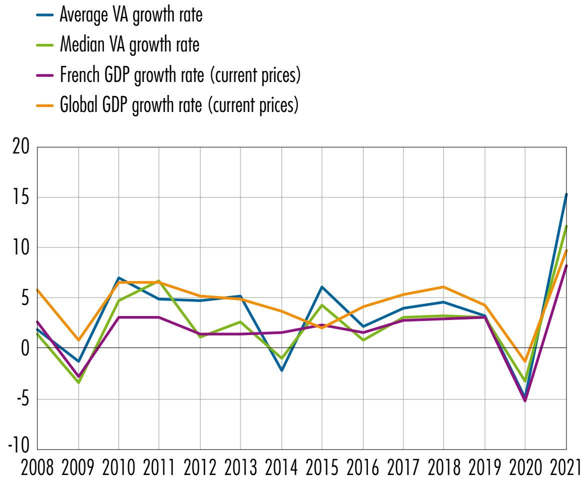
Turnover grew by more than 10% in most sectors. It even reached 19.1% for the major French industrial groups, driven by the energy industry. Turnover growth was lower in trade (7.8%), while in the accommodation and food services sector, which was particularly badly hit by the health restrictions, it fell by 4.3% (see Appendix 3 for figures by sector of activity).

The share of turnover of the major groups generated abroad remained stable and at historically high levels, i.e. 63.4% of total average turnover (see Chart 2). In 2021, the general economic recovery in all markets thus benefited all the affiliates of the major groups in all their geographical areas.

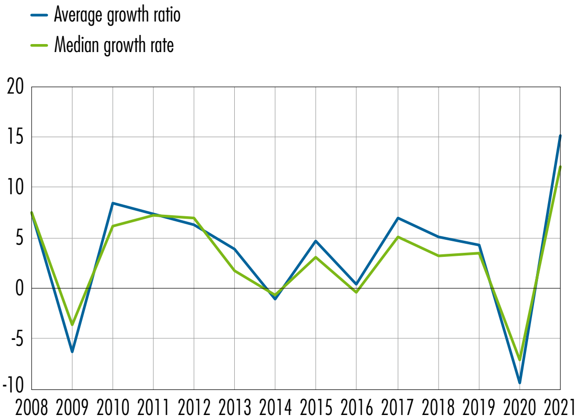
C1 Changes in the activity of the major French groups

(%)

a) Value added (VA) and French and global GDP



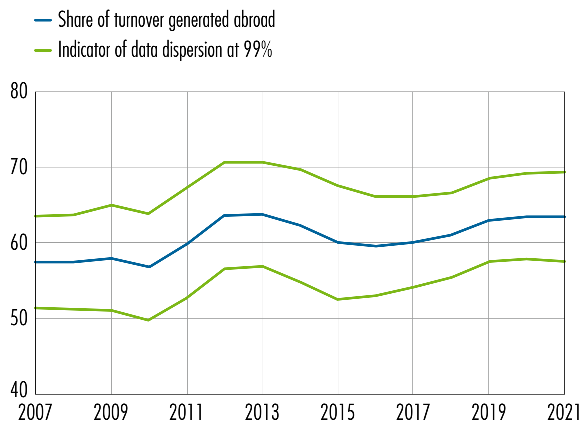
b) Turnover



Source: Banque de France, FIBEN database (end-July 2022 data).

C2 Share of turnover generated abroad

(%)



Source: Banque de France, FIBEN database (end-July 2022 data).

1 According to INSEE. Over the same period, according to the World Bank, global GDP at purchasing power parity increased by 9.7% in current dollars, and by 6% in 2017 dollars.

Higher activity was accompanied by a recovery in EBITDA and recurring net income

In 2021, all interim operating results improved, including value added, EBITDA, EBIT and recurring net income[2] (see Chart 3a). The rise in turnover therefore had an impact at all levels of the income statement: operating, financial and net income.

Chart 3b identifies the main components, in relation to the level of turnover, that have affected net income. The improvement in EBITDA as a percentage of turnover is mainly due to the decrease in the relative share of personnel costs. The latter fell from 22.9% of turnover in 2020 to 20.5% in 2021, i.e. a level comparable to the pre-Covid period. The major groups were therefore able to cope with the recovery in activity without increasing their personnel costs proportionately: they appear to have chosen to preserve their workforce at the height of the crisis, in anticipation of an expected recovery.

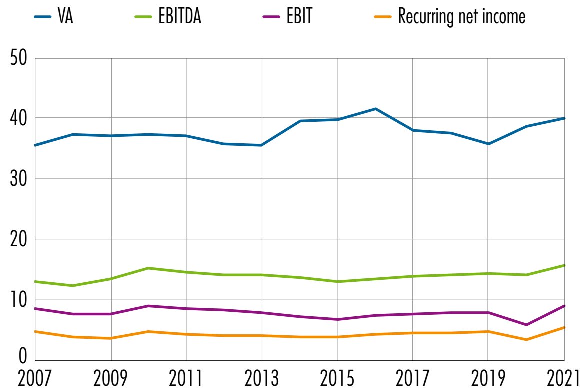
Further down the income statement, the decrease in charges to provisions and depreciation also contributed to the improvement in EBIT and net income.

The improvement in the operating income was also reflected in the margin rate, with EBITDA increasing as a percentage of value added. The margin rate rose to 40.3% in 2021, after 35.3% in 2020. In comparison, the average margin rate over the period 2007-20 was 36.9% (see Chart 4).

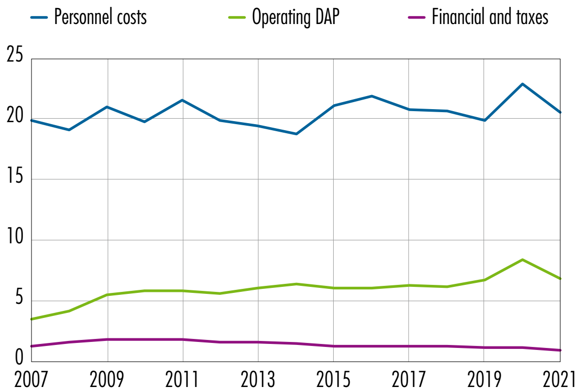
C3 Interim operating results and their components

(% of turnover)

a) Interim operating results



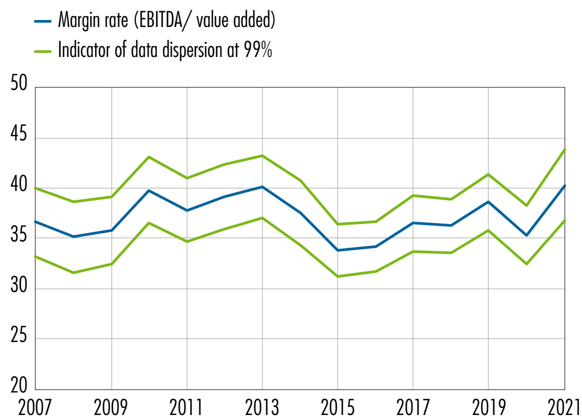
b) Main components



Source: Banque de France, FIBEN database (end-July 2022 data).
Note: VA, value added; EBITDA, earnings before interest, taxes, depreciation and amortisation; EBIT, earnings before interest and taxes; DAP, charges to depreciation and provisions.

C4 Margin rate

(% of value added)



Source: Banque de France, FIBEN database (end-July 2022 data).

2 The words in blue in the text are defined in the glossary.

2 In 2021, profitability returned to the average level of the 2007-20 period

We supplement our analysis of results by measuring profitability as the ability of the company to generate wealth from its invested capital. Two indicators are commonly used: the return on capital employed (ROCE) and the return on equity (ROE).

The ROCE, which has been declining since 2007, reached a nadir in 2020, due to the severe decline in major groups' operating income. It fell from 9.9% in 2007 to 4.7% in 2020. This downward trend was interrupted in 2021, when the average ROCE reached 7.0%, which is close to the average of 7.6% observed over the 2007-20 period (see Chart 5a).

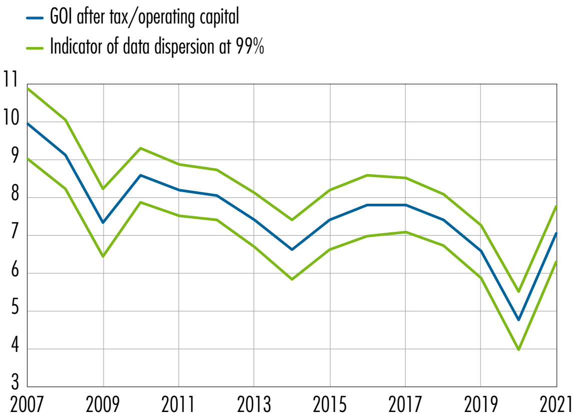
When looking at the ROCE by sector in 2021, the lowest levels were seen in education and health (3.3%), transport and storage (4.0%) and accommodation and food services (3.0%). In the latter sector, which was severely affected by the health crisis, the ROCE in 2021 was three times lower than in 2019, despite a slight increase between 2020 and 2021 (see Appendix 3, TA3).

With the financial crisis of 2008, the return on equity (ROE) had fallen from 17% in 2007 to 7.5% in 2009. Having stabilised at around an average of 8.8% until 2019, it fell again in 2020, to 2.9%. By 2021, it had returned to 11.2%, close to, but still below, the levels observed before the financial crisis (see Chart 5b).

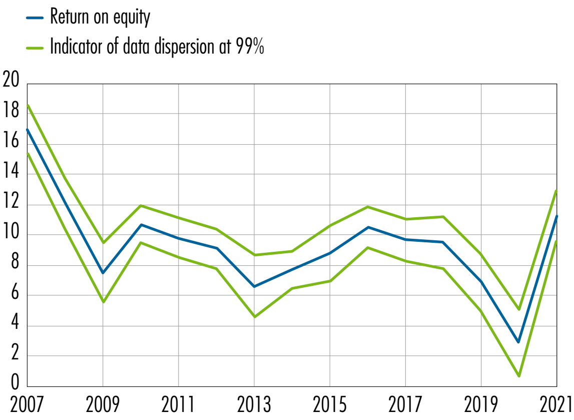
C5 Profitability ratios

(%)

a) Return on capital employed



b) Return on equity



Source: Banque de France, FIBEN database (end-July 2022 data).
Note: GOI, gross operating income.

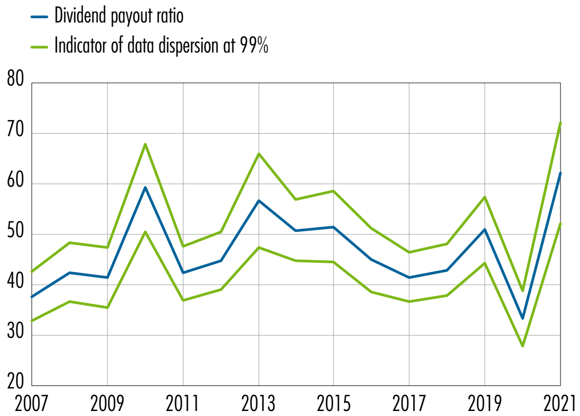
The dividend payout ratio recovered after a record low in 2020

The dividend payout ratio is the ratio of dividends paid in year N to net income in year N–1. In 2020, this ratio had reached a historically low level of 33.5%, as the major groups exercised caution during the crisis, prompted by the constraints on the payment of dividends associated with the distribution of government support (see Chart 6 below). In 2021, the major groups appeared to return to their long-term dividend policy, with the payout ratio rising to 62.3%.

The payout rate in 2021 was, however, inflated by the low net income in 2020, against which the last year's dividends are compared. Dividends paid in 2021 as a ratio of 2019 income, for example, yield a payout ratio of 45%, in line with levels prior to the health crisis, but significantly higher than in 2020. Therefore, while the payout ratio in 2021 may appear high, it is actually a cyclical peak and probably not a lasting trend.

C6 Divident payout ratio

(% of N–1 net income)

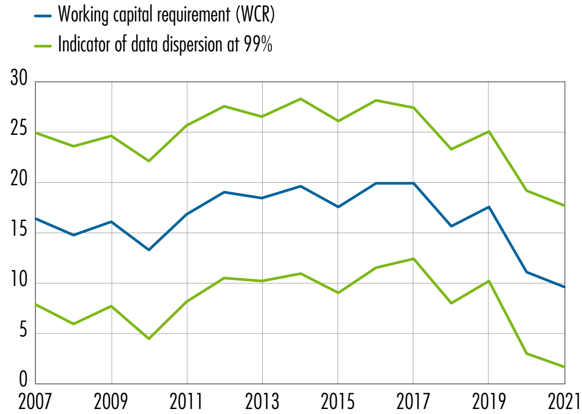


Source: Banque de France, FIBEN database (end-July 2022 data).

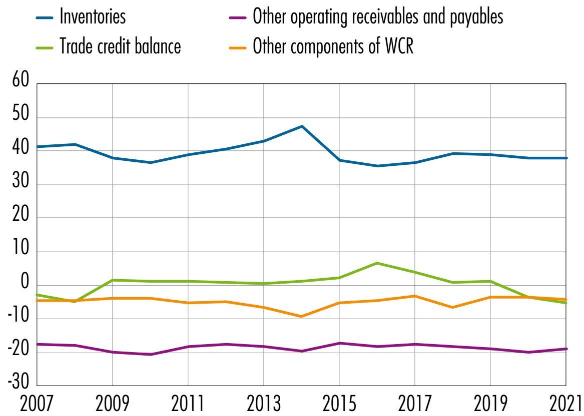
C7 Working capital requirement (WCR) and its components

(days of turnover)

a) Working capital requirement



b) Main components



Source: Banque de France, FIBEN database (end-July 2022 data).
Note: The working capital requirement (WCR) is calculated as the difference between the following current assets and liabilities: inventories, trade receivables, other operating and non-operating receivables (on the assets side) – trade payables, other operating and non-operating liabilities (on the liabilities side). Thus, an increase in recognised outstanding asset items leads to an increase in WCR, and vice versa for inferred liabilities.

3 The working capital requirement continued to decline

The working capital requirement (WCR) reflects the need for short-term financing to meet the cash flow shortfalls arising from the day-to-day business of the major French groups. From 2011 to 2017, this requirement varied between 16 and 20 days of turnover. Since 2018, it has been falling, with a sharp decline to 11.1 days of turnover in 2020. In 2021, it continued to decrease, to 9.6 days of turnover, despite the strong recovery in activity that characterised the period (see Chart 7a).

A decline in the WCR means that major groups are better managing their short-term financing needs. Thanks to a favourable trade credit dynamics (Gonzalez, 2022), they were able to shore up their trade credit balance in 2021. This is equivalent to 5.2 days of turnover for the year, compared with 3.3 days the previous year (see Chart 7b). This gain of 1.9 days can be attributed to a greater increase in supplier payment times than in customer payment times.

The WCR fell because firms sought to manage their cash flow and build up their cash reserves, as confirmed by the following analysis.

However, the average WCR for the operating cycle varied significantly across sectors. Indeed, several sectors – accommodation and food services, education and health, transport – have structural working capital surpluses (see Appendix 3, TA4).

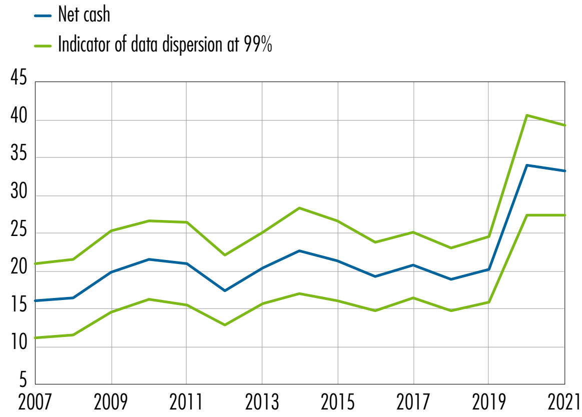
Moreover, while there was a general improvement in WCR between 2019 and 2021, it was particularly strong in construction (–22.2 days of turnover) and industry (–15.0 days). In the construction sector, the significant reduction in inventories drove the improvement in the WCR; in the industrial sector, it was also fuelled by an increase in trade payables.

4 In 2021, major groups still had significant cash reserves

The net cash-to-equity ratio stood at 33.3% for 2021, after 34.0% for 2020, its highest level since 2007 (see Chart 8). On average over the 2007-19 period, this ratio was 19.7%. The health crisis thus marks a break in the major groups' cash flow strategies, as they built up precautionary liquidity reserves. However, following the financial crisis of 2007-09, they hardly changed their strategy. In 2021, this very high net cash ratio can be explained by the continued increase in the net cash position from 9% to 9.5% of the balance sheet total, despite an increase in equity from 30% to 32.5% of the balance sheet total of the major groups. In spite of the recovery of earnings after the health crisis shock, the uncertainty about how the crisis would pan out and the supply tensions combined to prompt finance directors to maintain higher levels of liquidity. In some groups, this level was further increased by the precautionary use of state-guaranteed loans (SGLs) (see Box 1).

However, the net cash to equity ratio decreased significantly in the consulting and business services sector (from 59.9% in 2020 to 46.5% in 2021), the education and health sector (from 60.5% to 49.4%) and the accommodation and food services sector (from 25.2% to 13.6%). In the latter sector, this fairly low level appears to indicate cash flow pressures, especially as it is at a lower level than in 2019, unlike in other sectors (see Appendix 3, TA5).

C8 Net cash ratio
(% of equity)



Source: Banque de France, FIBEN database (end-July 2022 data).

BOX 1

The major groups started 2022 with a very favourable cash position

The measures to support businesses implemented in 2020 by the public authorities (state-guaranteed loans in particular) allowed some businesses to build up cash reserves. In 2021, with the repayment of these loans not yet due, most major groups have maintained a high level of precautionary cash reserves, as there was still no certainty that the health crisis would end.

Two cash position indicators reflect this precautionary behaviour: (i) the gross cash position indicator (stock of liquidity on the assets side); and (ii) the net cash position indicator (difference between the stock of liquidity and cash borrowings). These two indicators are calculated as the number of days of turnover for values of the median (Q2), the first (Q1) and the third quartile (Q3) (see Charts a and b below).

In 2021, except for the first quartile of the gross cash position, all cash flow indicators decreased, but remained at a higher level than in 2019.

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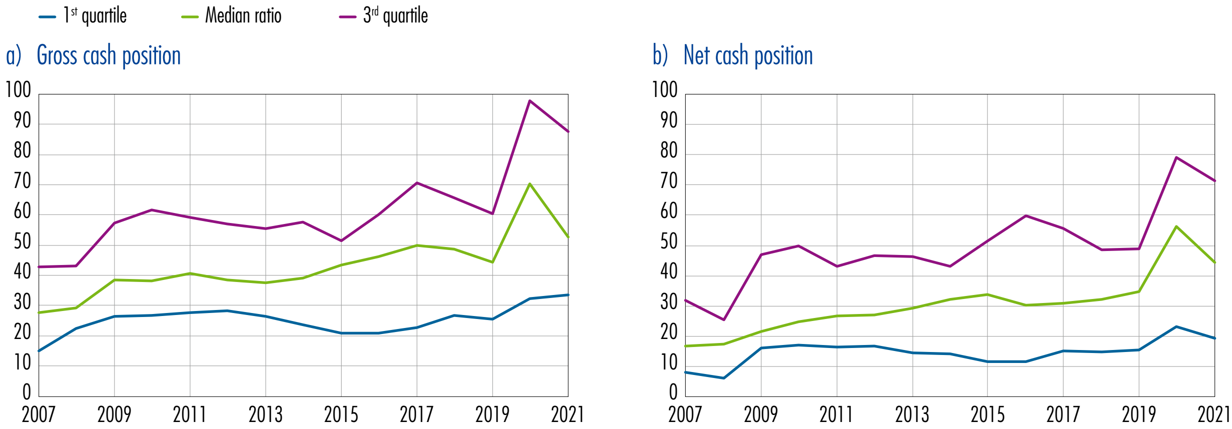
Changes in and distribution of the major groups' cash position
(number of days of turnover)



Source: Banque de France, FIBEN database (end-July 2022 data).

The decline in the level of the third quartile together with the stability of the first quartile between 2020 and 2021 resulted in a narrowing of the distribution of groups in terms of liquidity towards the median. Some of the groups whose cash position was less favourable in 2020 were therefore able to strengthen their cash position in 2021. However, some of those with the highest margins tended to reduce their cash reserves. They therefore moved closer to the median behaviour as the economic environment appeared to be less uncertain.

5 Debt levels return to below 2019 levels, but remain high

Debt ratios fell in 2021 almost across the board

Financial leverage is the ratio of financial debt to equity. Measured in gross terms, it reflects the structure of liabilities between lenders and shareholders. Changes in this indicator can be used to assess the financing dynamics of the major groups. Measured net of cash, it provides an indication of companies' level of debt by taking into account the amounts immediately available for debt repayment.

In 2019 and 2020, both leverage ratios were at historically high levels: 1.26 in 2019[3] and 1.44 in 2020 for gross leverage, and 1.00 in 2019 and 1.09 in 2020 for net leverage. In 2021, the debt ratio returned to a lower level than in 2019, standing at 1.17 for gross leverage and 0.81 for net leverage (see Charts 9a and 9b below). However, the debt ratio remains high compared to the 2007-18 average of 0.94 for gross leverage and 0.69 for net leverage.

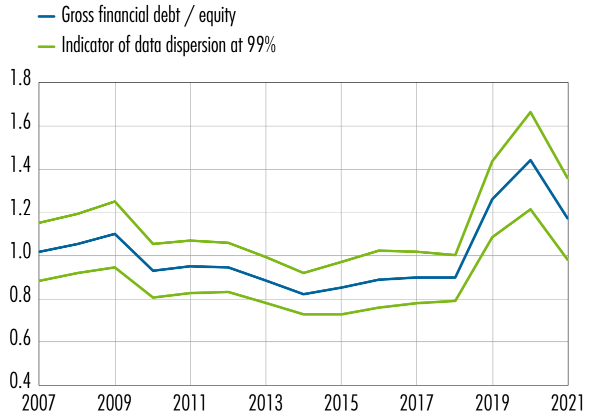
The decline in gross leverage in 2021 was due both to the decrease in gross financial debt (–8.3% between 2020 and 2021) and the increase in equity (5.3% between 2020 and 2021). As the level of cash flow remained high overall, both net and gross leverage displayed similar trends.

For both ratios, the situation by sector is fairly homogeneous: debt in almost all sectors decreased. The exception was the information and communication sector, where gross leverage increased from 0.8 to 1.1 and net leverage from 0.6 to 0.7 between 2020 and 2021, following a trend that started in 2018 for the major groups in this sector. In the accommodation and food services sector, gross leverage decreased slightly from 2.5 to 2.3 to stand well above the pre-crisis level of 1.1 (see Appendix 3, TA6 and TA7).

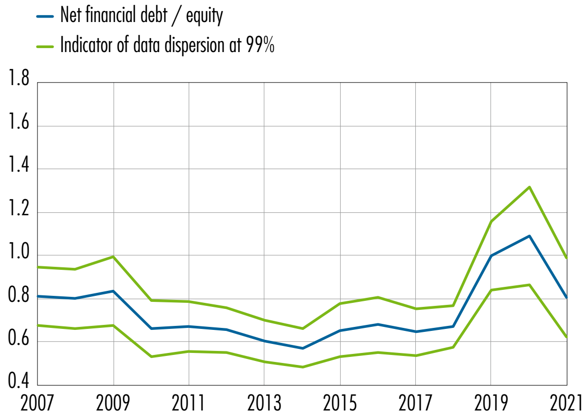
3 The sharp increase in gross leverage in 2019 was due to a combination of a marked increase in debt (16.9%), driven by several large transactions, and a decrease in equity (–6.7%).

C9 Leverage ratio

a) Gross leverage
(gross financial debt to equity ratio)



b) Net leverage
(net financial debt to equity ratio)



Source: Banque de France, FIBEN database (end-July 2022 data).

BOX 2

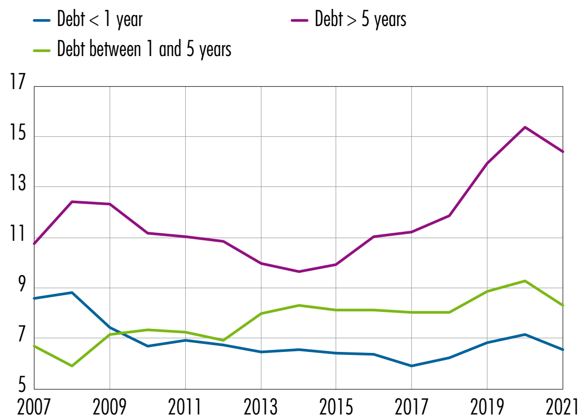
Debt (as a % of total balance sheet) decreased across all maturities

As regards changes in the debt structure by maturity, average debt as a percentage of the balance sheet total decreased across all maturities between 2020 and 2021 (see chart).

Looking at the growth rate of debt by quartile for each maturity, we observe a certain degree of heterogeneity (see table). Groups in the first quartile (Q1) deleveraged in 2019, 2020 and 2021. The median groups (Q2) deleveraged in 2021, but not enough to offset the cumulative debt of 2019 and 2020. Groups in the third quartile (Q3) increased their debt in 2019, 2020 and 2021.

Debt structure of the major groups

(% of total balance sheet)



Source: Banque de France, FIBEN database (end-July 2022 data).

Growth rate of debt by maturity, for each quartile

(%)

	Debt < 1 year			Debt between 1 and 5 years			Debt > 5 years		
	2019	**2020**	**2021**	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**
Q1	-1.50	-9.50	-17.34	-0.02	-5.35	-12.22	0.99	-18.22	-26.44
Q2	11.37	3.32	-6.36	14.67	6.06	-1.55	21.38	1.37	-10.09
Q3	48.69	22.83	18.67	58.67	13.22	15.80	55.40	29.28	3.64

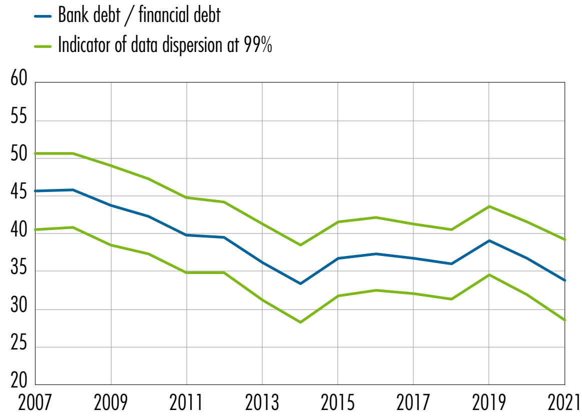
Source: Banque de France, FIBEN database (end-July 2022 data).

In 2021, major groups' reliance on bank financing declined again to reach a historically low level

From 2007 to 2014, the share of bank debt in total debt decreased from 45.6% to 33.4%. Thereafter, the share of bank financing in total debt stabilised at an average level of 37.1% between 2015 and 2020. The decline in debt in 2021 resulted in a further decrease in the share of bank debt in total debt, reaching the lowest level of the period, i.e. 33.9% (see Chart 10). The growing share of market financing in the debt of the major groups reflects their ability to diversify their financing, making them less reliant than other categories of companies on bank financing.

C10 Bank debt

(% total financial debt)



Source: Banque de France, FIBEN database (end-July 2022 data).

In 2021, the decline in financial debt went hand in hand with a drop in the share of bank debt in total debt, in a relatively uniform manner across sectors. This share increased slightly in only three sectors: (i) construction (from 40.5% in 2020 to 42.0% in 2021); (ii) transport and storage (from 37.7% to 46.1%) and; (iii) education and health (from 69.3% to 72.3%). The education and health sector is atypical in that it is largely financed by bank debt, which suggests a difficulty in accessing financial markets. Conversely, the accommodation and food services sector had a lower share of bank financing of 17.6% in 2021, down from 45.8% in 2019: this could be the result of difficulties in accessing bank credit, following the Covid crisis (see Appendix 3, TA8).

Repayment capacity recovered in 2021

Two ratios are used to analyse debt sustainability: (i) the financial autonomy or interest coverage ratio; and (ii) the debt repayment period.

The interest coverage ratio, used as a proxy for credit risk (Acharya, Davydenko and Strabulaev, 2012), is calculated by dividing a company's earnings before interest and taxes (EBIT) by its net interest expense. The lower the ratio, the higher the credit risk. This ratio shows that credit risk was high at the time of the 2008 financial crisis. The interest coverage ratio increased from 6.1 in 2014 to 10.5 in 2019. An exception was observed in 2020, when EBIT was affected by the health crisis. In 2021, this ratio hit its highest level for the period (see Chart 11a below), which put the major groups in a favourable position in the run-up to 2022, a year marked by a surge in inflation – and, consequently, in interest rates.

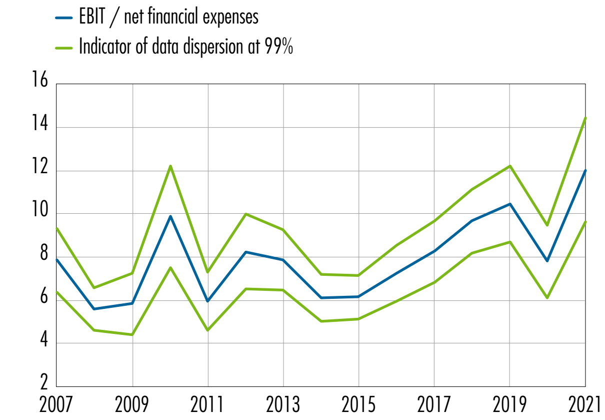
The debt repayment period is calculated by dividing net debt by operating income (EBITDA). In contrast to the interest coverage ratio, the higher the ratio, the more fragile the situation of the major groups. With falling debt and rising turnover, the debt repayment period of the major groups improved to 2.0 years of EBITDA in 2021, which is still quite high compared to past levels, but better than the 2019 level of 2.2 years (see Chart 11b below).

However, the situation varied across sectors, with a poorer interest coverage ratio for those most affected by the health crisis: for the transport and storage sector, this ratio was 6.3; for accommodation and food services, it was 3.8, well below the 2019 level of 8.0. These same sectors had a higher debt repayment period than the average for all sectors combined, with 2.5 years of operating income in 2021 for the transport and storage sector (although this was better than in 2019, when it was 3.2 years) and 4.7 years for the accommodation and food services sector (see Appendix 3, TA9 and TA10). The two ratios – the interest coverage ratio; and the debt repayment period – are calculated with the instantaneous data of the year under review, and are not predictive in nature.

C11 Financial autonomy of the major groups

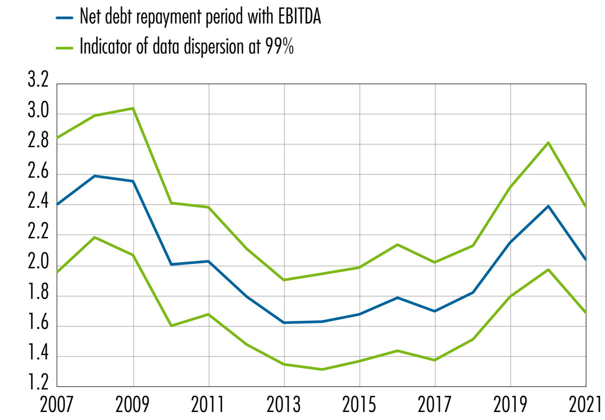
a) Interest coverage ratio

(EBIT / net financial expenses)



b) Net debt repayment period

(years of EBITDA)



Source: Banque de France, FIBEN database (end-July 2022 data).

Overall, the results presented in this study suggest that the major French groups managed in 2021 to redress their financial situation, which had been greatly impacted by the effects of the health crisis. The uncertainties surrounding the geopolitical situation, the economic and financial environment and the energy and certain commodities markets are likely to affect activity and profitability of these groups in 2022. However, they can take advantage of their enhanced balance sheet structure to address this situation.

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Consult the post

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Appendix 1
Glossary

EBITDA

Earnings before interest, taxes, depreciation and amortisation. Simply put, EBITDA is obtained by deducting personnel costs from value added.

EBIT

Earnings before interest and taxes. Interim operating results that track EBITDA minus the amount of net charges to depreciation and amortisation.

Financial autonomy

It measures a company's ability to calculated its debt obligations. Financial autonomy is measured, on the one hand, in terms of the debt burden, as a ratio of financial expenses to income from operations (EBIT) and, on the other hand, in terms of capital repayment, as a ratio of the amount of debt to the same income (EBITDA is generally used here, which does not take into account the investment policy).

Financial leverage

Financial leverage reflects the financing structure of a company through the ratio of its financial debt, gross or net of cash, to its equity.

Net cash position

The net cash position corresponds to the cash held by a group (on the asset side) minus the amount of cash loans taken out (on the liability side).

Recurring net income

Recurring net income is obtained by deducting financial and tax expenses from EBIT. This is the company's income excluding expenses and extraordinary items.

Return on capital employed (ROCE)

ROCE measures the performance of the production process. It is a ratio of operating income (EBIT) net of tax to the value of equity invested in the business ("working capital" or "economic assets"), measured as the sum of fixed assets and WCR.

Return on equity (ROE)

ROE reflects the profitability of the company for its shareholders. It is the ratio of net income to equity.

Trade credit balance

The trade credit balance is equal to the difference between trade receivables and trade payables, with receivables and payables expressed in days of turnover. It measures the financial weight of trade credit for the major groups.

Value added

Value added corresponds to the turnover minus the expenses corresponding to consumption by third parties during the year. It thus measures the wealth produced by the company.

WCR

Working capital requirement. It reflects the financing needs resulting from the production and distribution cycle. It is calculated as the difference between current assets (inventories, trade receivables, other operating and non-operating receivables) and current liabilities (trade payables, other operating and non-operating liabilities).

Appendix 2
Data and methodology

1 The data

The data are taken from the consolidated accounts of major French non-financial groups. That is to say the consolidated accounts in the Banque de France's FIBEN company database. Group sizes are calculated by applying the criteria of the Law on the Modernisation of the Economy (LME) relating to the number of employees (more than 5,000), turnover (more than EUR 1.5 billion) and balance sheet size (more than EUR 2 billion).

By analysing the consolidated financial statements of the groups, we can avoid the problem of intragroup flows. However, this does not rule out the risk of double counting in statistical studies. Indeed, consolidation can be carried out in steps with, for example, the consolidation of the financial statements of a second-tier subsidiary with those of the subsidiary, the consolidated financial statements of the sub-group obtained in this way would then be consolidated with the financial statements of the parent company. To avoid this problem, studies focus on data at the highest level of consolidation.

Furthermore, for a given group, several balance sheets may be available in a given year. Where necessary, double counting is avoided by focusing on consolidated rather than combined balance sheets, IFRS balance sheets rather than French GAAP balance sheets and balance sheets with restated data rather than those without.

This yields a study population of 273 non-financial major groups in 2019 and 265 in 2020. In 2021 the data are limited to groups whose balance sheets were released by 31 July 2022, i.e. a total of 214 major non-financial groups.

2 Methodology for calculating the ratios

The averages of the economic and accounting ratios are calculated by weighting by the turnover of each group, to reflect the size of the group in the economy. Because of the pandemic, this aggregate picture remains insufficient to understand some trends that may have differed between economic sectors. The classification of major groups by sector is presented, using indicators, over the last three years, to allow an assessment of intergroup heterogeneity.

The accounting items and ratios are based on the accounting data recorded in the consolidated balance sheets using French GAAP or IFRS. While IFRS balance sheets were almost non-existent before 2005, from 2005 onwards the major listed groups have been obliged to prepare their accounts in accordance with IFRS. Other groups remain free to file under French GAAP or IFRS. An increasing share of groups have been shifting to IFRS. For instance, in 2006, 67% of the accounts were reported under IFRS; in 2018, 75% of the accounts were reported under IFRS, while in 2021 this figure exceeded 80% of FIBEN's consolidated accounts. This dual reporting means that the accounts have to be reconciled, using the Banque de France method of reconstructing homogeneous items and ratios for the two accounting methods, based on the information available in the respective accounts.

Statistical analysis eliminates outliers and extreme values. The chosen method consists in eliminating values above (or below) the third quartile (or first quartile), plus (or minus) 3 standard deviations between the first and third quartile, which is tantamount to eliminating extreme values; a multiplier of +/– 1.5 is common in this type of approach. The choice here of +/– 3 interquartile intervals corresponds to the aim of obtaining the largest possible population while eliminating possible outliers.

For the treatment of missing values, the groups for which data are collected are those with an equity item. Then, the balance sheet and income statement data may or may not be available for the observed items. When the group has missing data, they are not taken into account for the year in question in the calculation of the average, dispersion indices and other statistical indicators. If the data are available in the following year, they are used. This choice is consistent with the decision not to balance the data to take account of the growth in the number of major groups between 2007 and 2021.

Appendix 3
Data by sector of activity

TA1 Change in annual turnover

(% of average annual growth)

	2019	2020	2021
All industries	3.7	-12.7	19.1
Real estate activities	11.2	-3.4	-0.3
Agriculture, forestry and fishing	5.3	0.1	3.2
Wholesale and retail trade	0.6	-5.4	7.8
Consulting and business services	7.1	-7.9	11.2
Construction	9.0	-8.1	11.4
Education and health and others	7.8	0.5	14.1
Accommodation and food service activities	8.0	-14.4	-4.3
Information and communication	7.6	1.3	12.1
Transportation and storage	10.6	-3.9	12.1
All sectors	4.3	-9.4	15.1

Source: Banque de France, FIBEN database (end-July 2022 data).

TA2 Share of personnel costs

(% of turnover)

	2019	2020	2021
All industries	16.9	19.5	16.0
Real estate activities	7.0	6.7	8.4
Agriculture, forestry and fishing	29.0	29.8	29.3
Wholesale and retail trade	12.8	12.7	12.7
Consulting and business services	51.8	59.6	55.4
Construction	23.5	25.2	24.2
Education and health and others	25.7	49.2	24.0
Accommodation and food service activities	45.7	51.6	53.2
Information and communication	31.2	42.9	56.2
Transportation and storage	33.5	32.8	41.6
All sectors	19.9	22.9	20.5

Source: Banque de France, FIBEN database (end-July 2022 data).

TA3 Return on capital employed

(%)

	2019	2020	2021
All industries	6.9	4.4	7.5
Real estate activities	3.5	2.6	2.5
Agriculture, forestry and fishing	3.8	3.3	4.6
Wholesale and retail trade	5.7	6.2	7.7
Consulting and business services	7.2	5.2	7.5
Construction	6.6	3.9	5.6
Education and health and others	9.4	8.3	3.3
Accommodation and food service activities	9.4	2.3	3.0
Information and communication	5.9	5.4	8.2
Transportation and storage	5.0	3.1	4.0
All sectors	6.6	4.7	7.0

Source: Banque de France, FIBEN database (end-July 2022 data).

TA4 Working capital requirement

(days of sales)

	2019	2020	2021
All industries	31.7	20.0	16.7
Real estate activities	69.0	52.6	61.9
Agriculture, forestry and fishing	94.5	95.6	61.2
Wholesale and retail trade	12.5	17.3	7.6
Consulting and business services	34.4	21.7	27.5
Construction	19.2	18.2	-3.0
Education and health and others	-15.1	-23.1	-13.5
Accommodation and food service activities	-29.0	-44.7	-36.1
Information and communication	2.0	0.1	-6.7
Transportation and storage	-20.6	-25.9	-24.6
All sectors	17.6	11.1	9.6

Source: Banque de France, FIBEN database (end-July 2022 data).

TA5 Net cash ratio

(% of equity)

	2019	2020	2021
All industries	12.6	21.9	25.2
Real estate activities	14.5	33.8	30.5
Agriculture, forestry and fishing	16.7	18.4	20.3
Wholesale and retail trade	22.1	33.0	33.0
Consulting and business services	30.6	59.9	46.5
Construction	45.1	60.4	58.1
Education and health and others	29.3	60.5	49.4
Accommodation and food service activities	19.3	25.2	13.6
Information and communication	26.7	39.9	44.3
Transportation and storage	23.7	38.3	39.3
All sectors	20.3	34.0	33.3

Source: Banque de France, FIBEN database (end-July 2022 data).

TA6 Gross leverage ratio

(gross financial debt to equity ratio)

	2019	2020	2021
All industries	1.0	1.2	1.0
Real estate activities	1.4	1.5	1.4
Agriculture, forestry and fishing	1.1	1.3	1.2
Wholesale and retail trade	1.4	1.5	1.0
Consulting and business services	1.8	2.2	1.8
Construction	1.4	1.5	1.4
Education and health and others	1.7	2.3	1.6
Accommodation and food service activities	1.1	2.5	2.3
Information and communication	0.6	0.8	1.1
Transportation and storage	2.9	3.3	2.2
All sectors	1.3	1.4	1.2

Source: Banque de France, FIBEN database (end-July 2022 data).

TA7 Net leverage ratio

(net financial debt to equity ratio)

	2019	2020	2021
All industries	0.8	0.8	0.6
Real estate activities	1.1	1.1	1.1
Agriculture, forestry and fishing	0.9	1.0	1.0
Wholesale and retail trade	1.1	1.1	0.6
Consulting and business services	1.6	1.8	1.6
Construction	1.0	0.9	0.8
Education and health and others	1.5	1.7	2.3
Accommodation and food service activities	0.7	1.8	1.3
Information and communication	0.4	0.6	0.7
Transportation and storage	2.3	2.9	1.8
All sectors	1.0	1.1	0.8

Source: Banque de France, FIBEN database (end-July 2022 data).

TA8 Bank debt ratio

(% of total financial debt)

	2019	2020	2021
All industries	31.9	29.7	25.2
Real estate activities	55.9	57.6	54.6
Agriculture, forestry and fishing	45.6	50.9	55.0
Wholesale and retail trade	49.9	48.7	47.2
Consulting and business services	64.6	56.6	53.4
Construction	35.7	40.5	41.9
Education and health and others	64.9	69.3	72.3
Accommodation and food service activities	45.8	18.2	17.6
Information and communication	38.0	38.3	28.8
Transportation and storage	52.7	37.7	46.1
All sectors	39.1	36.7	33.9

Source: Banque de France, FIBEN database (end-July 2022 data).

TA9 Interest coverage ratio

(EBIT / net financial expenses)

	2019	2020	2021
All industries	12.1	8.5	13.5
Real estate activities	4.7	5.2	5.4
Agriculture, forestry and fishing	2.8	2.5	4.3
Wholesale and retail trade	8.1	7.2	11.7
Consulting and business services	10.2	9.1	16.8
Construction	8.5	5.4	8.0
Education and health and others	-3.8	1.7	-9.2
Accommodation and food service activities	8.0	3.5	3.8
Information and communication	16.6	16.0	16.8
Transportation and storage	6.7	2.1	6.3
All sectors	10.5	7.8	12.0

Source: Banque de France, FIBEN database (end-July 2022 data).

TA10 Net debt repayment period with EBITDA

(years of EBITDA)

	2019	2020	2021
All industries	1.7	2.0	1.9
Real estate activities	5.5	5.2	4.7
Agriculture, forestry and fishing	3.3	3.6	2.9
Wholesale and retail trade	3.0	2.8	2.0
Consulting and business services	3.0	2.0	1.6
Construction	2.3	2.6	2.0
Education and health and others	3.3	6.1	2.9
Accommodation and food service activities	1.7	4.5	4.7
Information and communication	2.4	2.4	2.0
Transportation and storage	3.2	3.2	2.5
All sectors	2.2	2.4	2.0

Source: Banque de France, FIBEN database (end-July 2022 data).

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