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Companies

The main French groups returned to growth in 2017

After highly encouraging half-yearly results, the vitality of the 80 largest French industrial and commercial groups was confirmed with a 5.3% increase in turnover during 2017.

Capitalising on their international activities, these groups reported extremely strong organic growth, which accounted for a 5.8 percentage point positive contribution to turnover. External growth brought an additional 1.7 percentage point increase, offset by a negative 2.2 percentage point contribution related to exchange rate effects and other variations resulting from the depreciation of the dollar against the euro.

This improvement in turnover proved to be a source of profitable growth: EBITDA[1] rose by 7.2% year-on-year and net income rose by almost one-third (up 29.2%).

Thanks to these robust results, the main groups were able to reinforce their cash position and equity by 5.7% and 2.3%, respectively.

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Companies Directorate

JEL codes:
F23, G30,
G32, L25

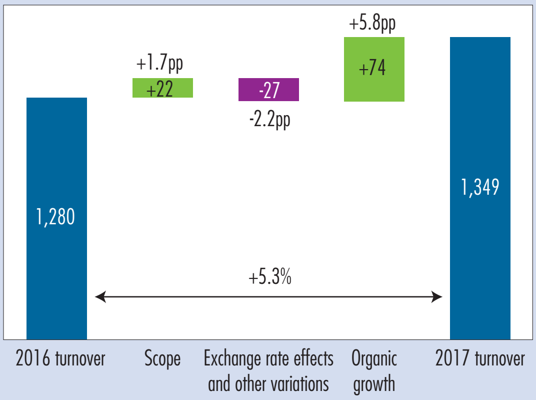
5.3%
increase in turnover

29.2%
rise in net income

EUR 17 billion
reduction in financial debt
(out of a total of EUR 586 billion)

15.1%
growth in market capitalisation

Breakdown of the increase in turnover
(amounts in EUR billions, change in %, contributions in percentage points)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

1 See definition in Appendix 2.

1 Turnover of the 80 largest French groups rebounded in 2017

Turnover was up significantly in 2017

During the 2017 financial year, the business activity of the 80 largest French groups[2] rose significantly, with total turnover up 5.3% on 2016 to EUR 1,349 billion (see Chart 1).

These robust results following a period of relative stagnation were driven by the performances of the transport, accommodation and construction sector (an 11.4% increase in turnover), the industrial sector (an 8.9% increase) and the distribution and services sector (a 7.9% increase). Turnover in the energy and environment sector stabilised in 2017 after recording reductions in each of the last five years thanks to the performance in the "Rest of the world" area (up 9.4%).

In 2017, the main French groups benefited from an economic recovery that was shared globally, in that their turnover increased across all geographical areas,[3] although the improvement was more pronounced in the "Americas" and the "Rest of the world" (up 8.9% and 9.6%, respectively, year-on-year). Nevertheless, the majority of their income – 59% of the total turnover of the main French groups – continued to come from Europe, with a little over a quarter of that amount generated by their business activities in France (see Table 1).

T1 Geographical breakdown of turnover

(%)

	2013	2014	2015	2016	2017
Europe	64	62	60	60	59
o/w France	*30*	*28*	*27*	*27*	*26*
Americas	14	15	16	18	18
Rest of the world	22	23	24	22	23
Total	100	100	100	100	100

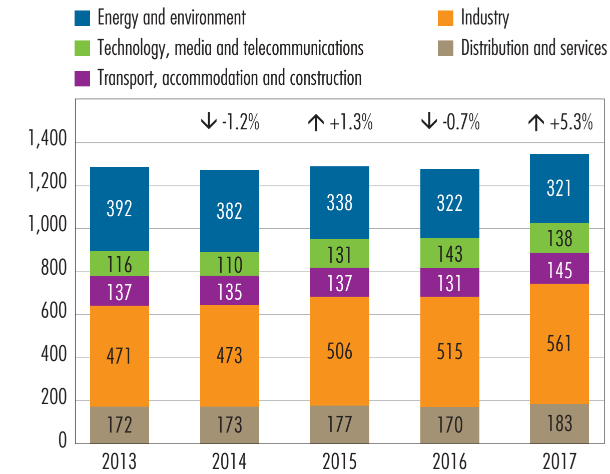
Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

The increase in turnover in 2017 can largely be attributed to organic growth

The overall increase in the turnover of the main French groups can be broken down between organic growth,[4] changes in scope and exchange rate effects and other variations[5] (see Chart 2).

C1 Turnover by sector

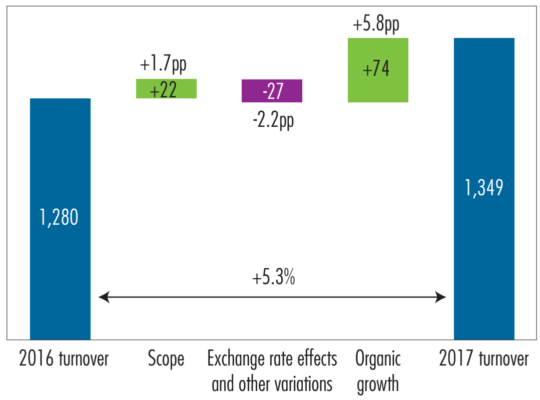
(EUR billions)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

C2 Breakdown of the increase in turnover

(amounts in EUR billions, change in %, contributions in percentage points)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

2 See Appendix 1.

3 The World Bank estimated global GDP growth at 3% in 2017, against 2.4% in 2016. Growth in advanced economies was estimated at 2.3% in 2017 compared with 1.6% in 2016, while growth in emerging markets and developing economies amounted to 4.3% in 2017, against 3.7% in 2016.

4 Organic growth, also known as internal growth, measures the change in group turnover at constant scope of consolidation.

5 Turnover is the only variable for which organic items can be distinguished from the effects of changes in the scope of consolidation. Changes in the other variables presented hereafter therefore arise, to varying degrees, from these different factors.

The organic growth in turnover of the companies in the sample largely accounts for the upturn in activity during the reporting period as it contributed 5.8 percentage points to the increase in turnover. Furthermore, this upturn was observed across all sectors.

Changes in scope reflect the effects of acquisitions and disposals of subsidiaries. In 2017, they amounted to a positive 1.7 percentage point contribution to turnover.

The main groups continued their international expansion in 2017, which consequently increased their exposure to exchange rate fluctuations. The conversion of foreign subsidiaries' national currency balances into euro during the preparation of the consolidated financial statements can have a marked impact on group turnover.

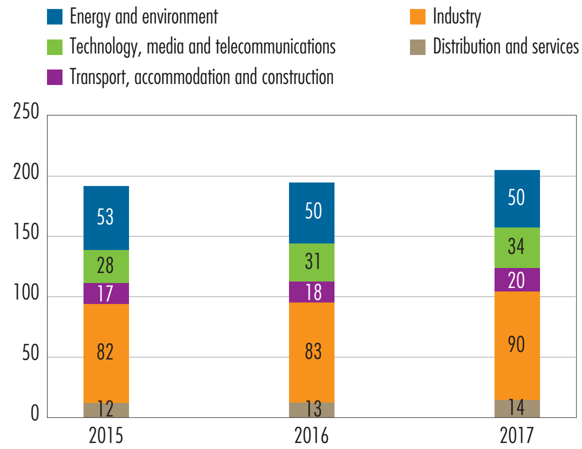
In 2017, euro exchange rate fluctuations relative to other currencies negatively impacted the main French groups, reducing their turnover by EUR 27 billion (a negative contribution of 2.1 percentage points).[6] This is in part due to the depreciation of the dollar against the euro, mainly as a result of the uncertainties surrounding the new US federal government's economic policy and monetary policy tightening by the US Federal Reserve System (the Fed).

2 Profitability continued to increase in 2017

EBITDA growth slightly outpaced the increase in turnover

EBITDA[7] rose significantly in the majority of sectors, with the exception of the energy and environment sector, which only just remained at its 2016 level (see Chart 3). However, performances within the energy and environment sector in 2017 were far from uniform, with some groups capitalising on the upturn in commodity prices, while others operated in a low price environment resulting largely from greater deregulation and a drop in consumption in the European energy market.

C3 Change in EBITDA
(EUR billions)



Sources: Financial statements of the 80 largest groups. Banque de France calculations, May 2018.

The 7.2% increase in EBITDA exceeded that of turnover (5.3%) for the 80 largest French groups, resulting in a 0.2 percentage point improvement in the EBITDA margin to 15.4% of turnover.

Operating income continued to rise in 2017

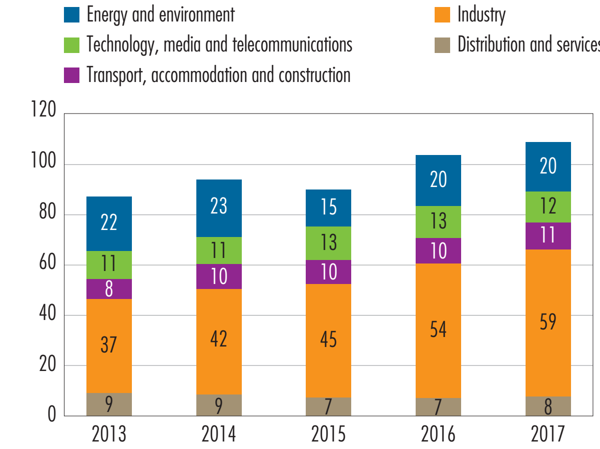
The 80 largest French groups as a whole reported a second consecutive year of growth in operating income,[8] which increased by 4.8% in 2017 to EUR 110 billion, following a 15.6% increase in 2016 (see Chart 4). Growth in 2017 was more subdued because the groups, particularly the industrial groups, profited from a drop in commodity and energy prices in 2016, which did not continue into 2017.

Nevertheless, the industrial sector remained the main contributor to the increase in operating income, recording year-on-year growth of EUR 5 billion.

The operating margin[9] remained unchanged in 2017 at 8.1%.

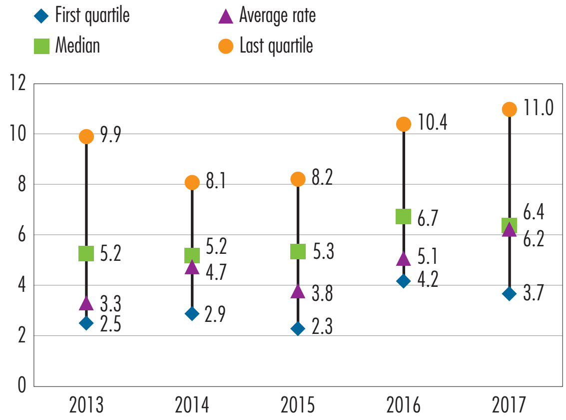
6 The other variations amount to a negative 0.1 percentage point contribution to turnover and include the effects of technical and regulatory changes.
7 See definition in Appendix 2.
8 See definition in Appendix 2.
9 The operating margin is the ratio of operating income to turnover.

C4 Operating income by sector
(EUR billions)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

C6 Net margin
(%)



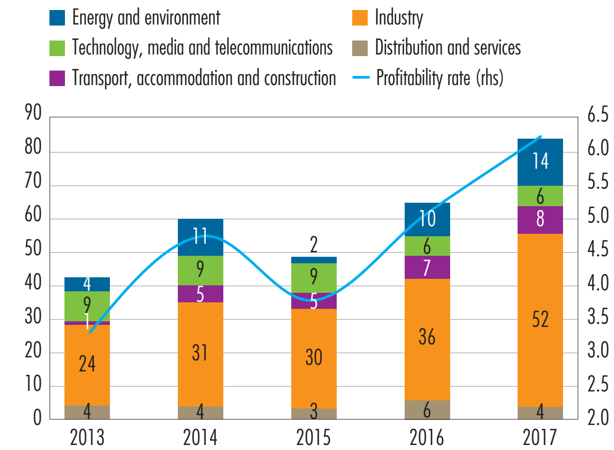
Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

Net income increased by almost one-third again in 2017

Net income, which is calculated by incorporating financial income, earnings from discontinued operations and tax expenses into operating income, rose significantly with increases of 29.2% and 32.7% in 2017 and 2016, respectively (see Chart 5).

Once again in 2017, this is due to the performance of the industrial (up 42.3%) and energy and environment (up 40.0%) sectors. Among the most dynamic items not accounted for in current income are provision reversals, gains on sales of assets and earnings from discontinued operations.[10]

C5 Net income by sector
(left-hand scale in EUR billions, right-hand scale in %)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

The net margin[11] (the ratio of net income to turnover) provides an indication of the profitability of a company. In 2017, it increased year-on-year by 1.1 percentage points to 6.2% due to the greater growth in net income relative to turnover. However, the net margin of the least profitable companies deteriorated (down from 4.2% to 3.7% for the first quartile groups – see Chart 6) while the performance of the last quartile groups continued to improve.

Overall, dividend payments remained stable

In 2017, the 80 largest French groups paid EUR 33 billion in dividends, the lowest amount since 2013. Dividends paid in 2017 were almost 10% lower than the EUR 36 billion paid in 2016.

However, if we eliminate the EUR 4 billion dividend paid in 2016 by a group that is now included within the scope of consolidation of another group, in reality dividend payments remained stable between the two reporting periods. Therefore, there was no change in dividend payment policies in 2017.

10 In accordance with the accounting standard IFRS 5, the results of a subsidiary classified as discontinuing or held for sale are presented separately from continuing operations.

11 Net margin is also known as the profitability rate.

BOX 1

Value creation of the 80 largest groups

The creation of shareholder value can be measured using a variety of indicators. Accounting indicators include return on equity (ROE) – the ratio of (i) net income calculated in accordance with accounting standards as a percentage of (ii) the book value of equity.

Overall, in 2017, and for the first time during the period under review, ROE comfortably exceeded the 10% threshold. This represents a three percentage point increase on the previous years' average. The groups with the lowest ROE during the period under review operate in the energy and environment sector, which notably suffered due to the impairment of asset values in 2015 that had a negative impact on net income. Nevertheless, energy and environment sector ROE rebounded to 7.6% in 2017. The industrial sector, which is highly capital intensive, reported the highest ratio in 2017 with 16.1%.

The distribution and services sector ROE was impacted by the significantly lower net income reported by groups in the distribution sector.

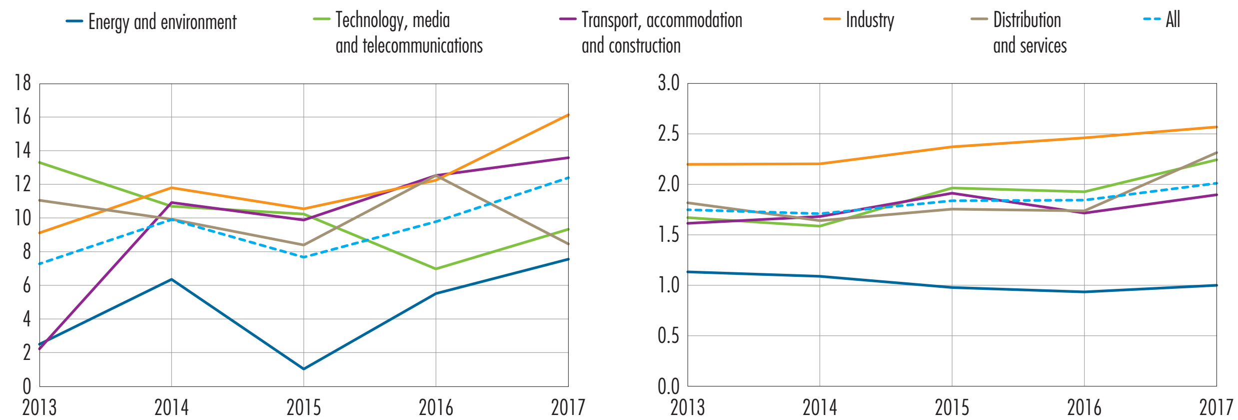
Analysing the Price to Book Ratio (PBR), which compares a company's market capitalisation to the book value of its equity, allows us to take the groups' market valuation into consideration.

This indicator reflects investor expectations in terms of the groups' potential value creation. For example, investors feel that the future is very bright for industrial groups, given that their market capitalisation is almost 2.6 times the book value of their equity. By contrast, investors are less optimistic about groups in the energy and environment sector, as on average they price these groups at the book value of their equity.

The accounting and market indicators converge since the poor ROE of energy and environment sector groups is reflected in their market price, which is very similar to the book value of their equity. On the other hand, sectors with the highest ROE (industry, distribution and services, and technology, media and telecommunications) have the highest market values, at more than twice the book value of their equity. Some groups in the distribution and services sector, particularly large retailers, were penalised by their declining market capitalisations related to their poor performance. However, the PBR is up in 2017 for the sector as a whole thanks to the robust performance of companies with operations in services.

Ca Return on equity (ROE) by sector
(%)

Cb Price to Book Ratio (PBR) by sector
(ratio of a company's market price to its book value)



Sources: Financial statements of the 80 largest groups, April-May 2018. Banque de France calculations, May 2018.
Note: The curves trace the changes in average ratios.

3 Cash positions were at record levels

Even greater levels of cash accumulation

At the end of 2017, the cash position of the main groups continued to improve, reaching a historical high over the period under review of EUR 203 billion (up EUR 11 billion on 31 December 2016, before revaluation effects and changes in scope – see Chart 7).[12] The cash position of the 80 largest groups was up 30.1% on end-2013.

This cash accumulation is driven by three of the five sectors, primarily the industrial sector, which took advantage of favourable operating conditions to record a EUR 10 billion increase in its cash position, representing growth of 12.3% on 2016.

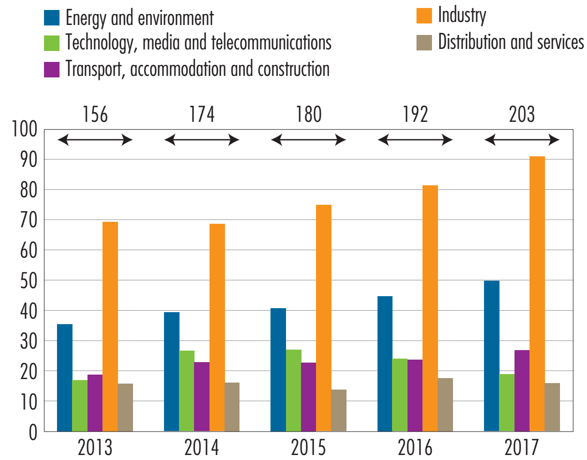
By contrast, companies in the distribution and services, and technology, media and telecommunications sectors had to dip into their cash reserves to finance their investments, which are up on previous periods, and pay their shareholders, thereby reducing their cash position by EUR 2 billion and EUR 5 billion, respectively.

Another year of improved net cash flow

In order to assess changes in the cash position of the main groups in 2017 in greater detail, an analysis of the year's net cash flow, excluding revaluation effects and changes in scope,[13] was favoured. Net cash flow is the sum of cash flows from operating activities, investing activities and financing activities.

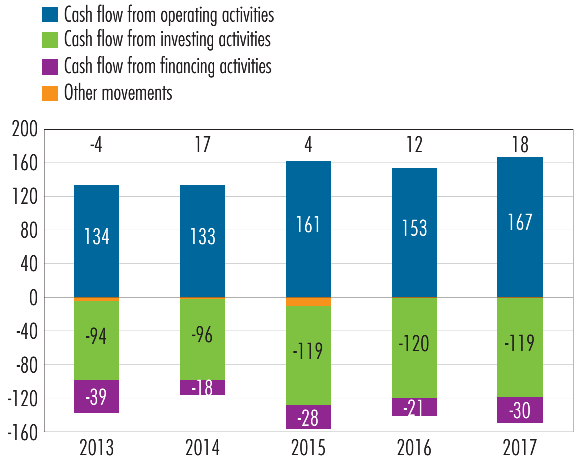
Total net cash flow amounted to EUR 18 billion in 2017 (see Chart 8), up EUR 6 billion on the previous reporting period due to the significant upturn in operating cash flows (an increase of EUR 14 billion compared with 2016) that more than offset financing activity outflows of EUR 9 billion.

C7 Cash position at year-end
(EUR billions)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

C8 Breakdown of cash flows
(EUR billions)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

12 The variation in the cash position between two reporting periods can be broken down between changes in total net cash flow and the revaluation effects and changes in scope, for which the closing balance of the previous reporting period is adjusted.

13 This led to a EUR 7 billion reduction in the cash position recorded at end-2016 for the scope of groups under review.

Operating cash flows[14]

Thanks to the economic recovery observed since 2015, cash flows generated by operating activities increased to a record EUR 167 billion in 2017, up 9.2% on 2016. This increase attests to the steady improvement in the main groups' ability to generate a cash surplus from their operating activities.

Operating working capital (OWC) was up EUR 10 billion year-on-year at end-2017 following an increase in trade receivables and inventories that offset the rise in trade payables (see Table 2). This can be explained by the significant improvement in turnover (up 5.3%), which mechanically pushes up inventories and trade receivables.

Financing cash flows[15]

Cash flows from financing activities consumed more cash in 2017 due to a reduction in financial debt (down EUR 17 billion, see Chart 11) and despite the lower dividends paid.

Investments remain dynamic

Investment flows can be broken down into five components: (i) acquisitions of tangible and intangible fixed assets; (ii) acquisitions of financial fixed assets;[16] (iii) disposals of tangible and intangible fixed assets; (iv) disposals of financial fixed assets; and (v) other variations.[17]

Total net investment flows of the 80 largest groups remained relatively stable over the last three years and amounted to EUR 118 billion at end-2017, down slightly year-on-year by 0.8% (see Chart 9).

Investments are relatively disparate at the sectoral level. The successive reductions recorded by groups operating in the energy and environment sector (down 28.4% over two years) were offset by robust investment from the industrial groups (up 53.6% over the same period).

A more detailed analysis of investment cash flows reveals a reduction in acquisitions of tangible and intangible fixed assets of 6.7% on 2016.

T2 Breakdown of operating working capital (OWC)

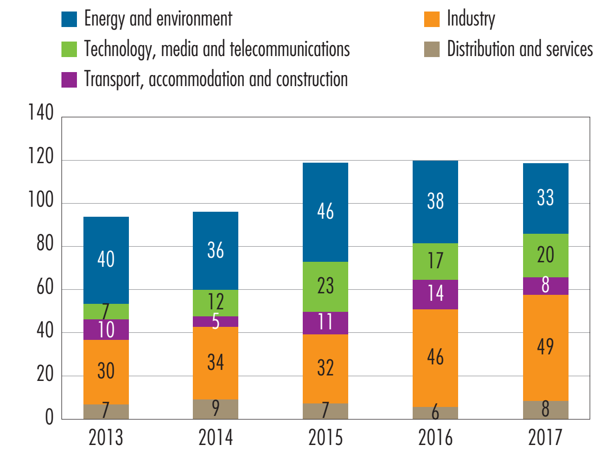
(EUR billions)

	2013	2014	2015	2016	2017
Trade receivables (A)	244	234	235	253	266
Trade payables (B)	221	232	242	265	275
Balance of trade credit (A – B)	23	2	-7	-12	-9
Inventories (C)	147	148	153	161	168
OWC (A – B + C)	170	150	146	149	159

Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

C9 Investment flows by sector

(EUR billions)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

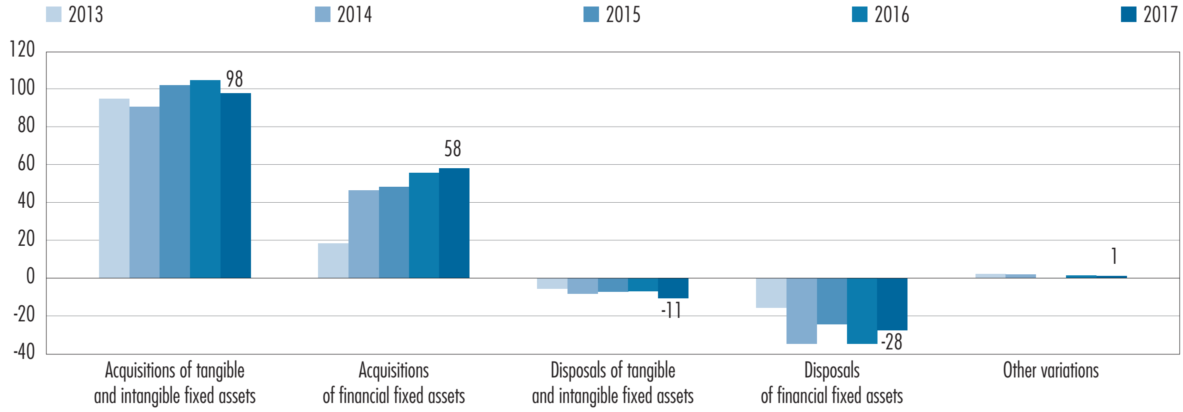
14 Operating cash flow corresponds to net cash from operating activities generated at the end of a given period plus or minus changes in its operating working capital for the same period.

15 Flows from financing activities are generated by equity transactions (dividend payments, share issues and buybacks) and changes in financial debt (debt issues, repayments, etc.).

16 Data on acquisitions of financial fixed assets are taken from cash flow statements published by the groups, which do not allow us to distinguish between acquisitions leading to a takeover and those resulting in a minority stake.

17 "Other variations" correspond to the net balance of operations that cannot be classified under any of the other four items.

C10 Breakdown of cash flows by investing activity
(EUR billions)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

However, the main groups' appetite for financial investments remains unabated (EUR 58 billion). Disposals of financial fixed assets are down by 20% on 2016 but remain significant, accounting for EUR 28 billion, largely due to six major groups in the energy and environment and industrial sectors, which sold equity interests in an amount of EUR 24 billion (see Chart 10).

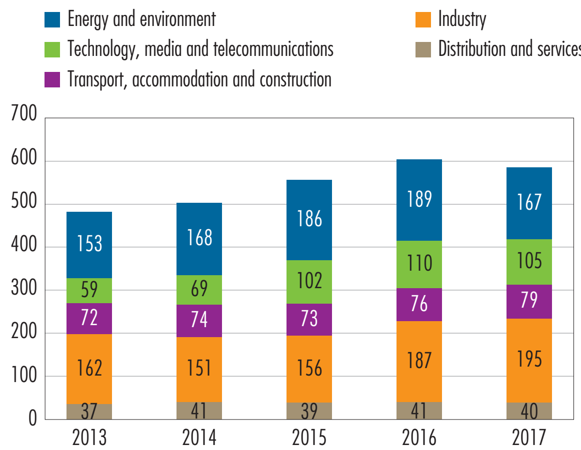
4 The financial structure remained robust

The debt of the main French groups fell back in 2017

Despite continuing low interest rates and abundant liquidity in 2017, the main French groups as a whole deleveraged, reducing their financial debt. Following an uninterrupted three-year rise (up 8.6% in 2016), outstanding debt fell back 3.1% year-on-year in 2017 to EUR 586 billion (see Chart 11).

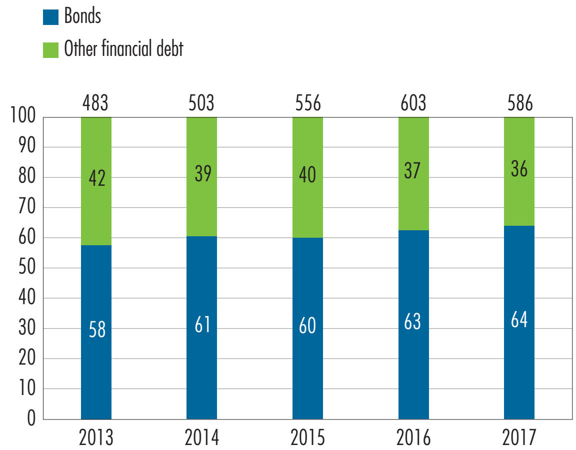
Nevertheless, the picture differs depending on the sector. For example, the technology, media and telecommunications, and energy and environment sectors significantly reduced their debt in 2017 by EUR 5 billion and EUR 22 billion, respectively. Several groups operating in the energy and environment sector restructured their portfolio of operating assets, clearing the related debts off their balance sheets. By contrast, outstanding debt in the transport, accommodation and construction and industrial sectors increased further during the last reporting period by EUR 3 billion and EUR 8 billion, respectively.

C11 Financial debt by sector
(EUR billions)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

C12 Breakdown of financial debt
(amounts in EUR billions, breakdown in %)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

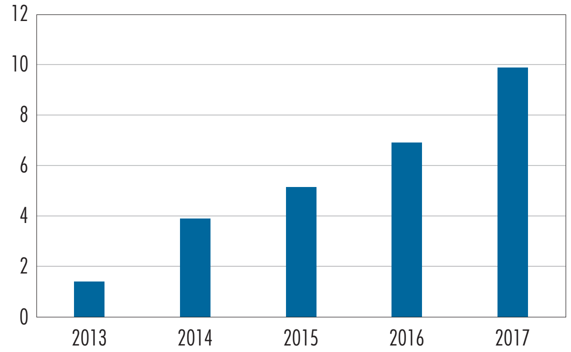
BOX 2

The main French groups are increasingly active in the green bonds market

Green bonds were developed to finance investments that are environmentally sound or contribute to reducing the impact of climate or environmental change, and are designed to direct financial flows towards projects that contribute to the energy transition. They offer issuers a way of diversifying their sources of financing, by attracting investors concerned about environmental and social issues, and they form part of their corporate social responsibility (CSR) initiatives and enhance their sustainable development strategy.

The first green bonds were issued by the European Investment Bank (EIB) in July 2007. The market has since grown rapidly, with green bond issuance increasing four-fold between 2013 and 2015 and reaching USD 42 billion in 2015.[1] In 2017, France was the second largest issuer of green bonds behind only China, largely due to the French state issuing a EUR 7 billion sovereign green bond in January 2017. Between 2009 and 2017, France issued almost EUR 34 billion in green bonds.[2]

Outstanding amounts of green bonds of the 80 largest groups
(EUR billions)



Sources: Financial statements of the 80 largest groups, April-May 2018. Banque de France calculations, May 2018.

Outstanding amounts of green bonds for our sample of 80 French groups grew from EUR 1.4 billion in 2013 to almost EUR 9.9 billion in 2017. However, these fund raising operations are primarily carried out by two energy industry groups – Engie and EDF – and are mainly destined to finance onshore wind projects, biogas plants and energy efficiency programmes.

While green bonds are a complementary means of financing the energy transition, they do not offer the issuer a financial benefit. Green bonds actually represent an additional cost for the issuer, due to the labelling associated with the operation, and for the investor who has to devote more time to the analysis of this type of bond.

1 See Buttin (E.) 2016, "Green bonds: a solution for financing the energy transition or a simple buzzword?", Quarterly Selection of Articles, Banque de France Bulletin, No. 44, Winter 2016-17, pp. 19-26.

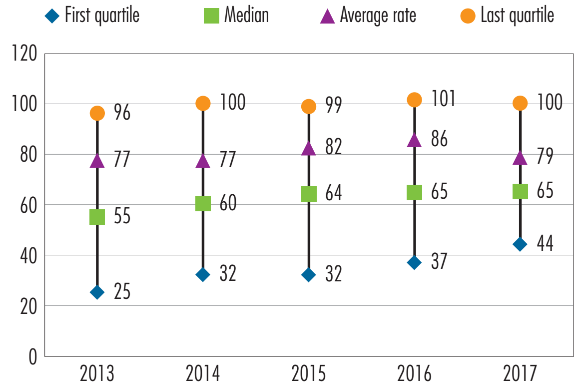
2 Source: I4CE (Institute for Climate Economics).

The share of bond debt in the total financial debt of the main French groups was up slightly to 64% in 2017 from 63% in 2016, thus maintaining a historically high level that attests to the attraction of market financing among large corporations (see Chart 12).

The average debt ratio[18] of the 80 largest French groups contracted to 79% in 2017 (down 7 percentage points on 2016 – see Chart 13) due to the combined effect of the reduction in outstanding financial debts described above and the boosting of equity (up 2.3%, see below). In 2017, the dispersion of the debt ratio distribution tended to narrow, as the least indebted companies increased their leverage ratio by 7 percentage points, while the most indebted decreased their ratio by 1 percentage point.

18 The debt ratio (or leverage ratio) is the ratio of financial debt to equity.

C13 Financial debt/equity
(%)

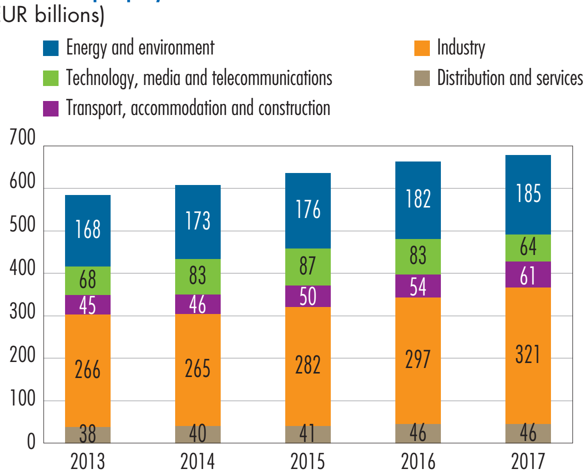


Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

The main French groups boosted their equity

The groups' equity level rose constantly over the period under review (see Chart 14). In 2017, it amounted to EUR 677 billion, recording a 2.3% increase that was significantly lower than the 4.4% rise in 2016. Companies in the industrial sector, and to a lesser extent in the transport, accommodation and construction sector, accounted for a substantial proportion of the increase, with growth of EUR 24 billion and EUR 7 billion, respectively. In 2017, this change was mainly due to the substantial net income reported by the main French groups that was recorded in equity prior to the appropriation of profits.

C14 Group equity
(EUR billions)

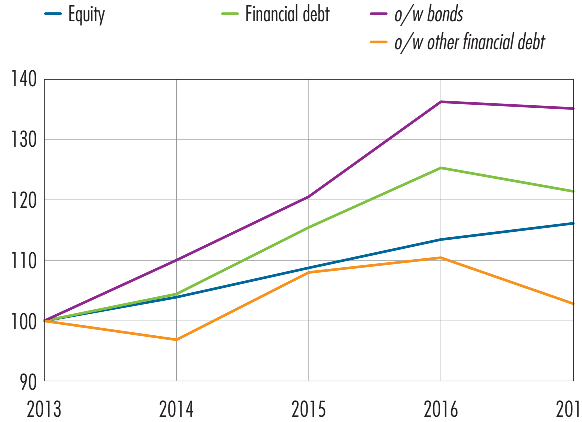


Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

A marked appetite for bond financing

Following a period of significant growth in debt financing until 2016, we can see that the main groups moved to rebalance their financing sources in 2017 in favour of the deleveraging mentioned above and the boosting of their equity (see Chart 15).

C15 Changes in sources of financing
(average annual growth rate in %, 2013 = 100)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

Goodwill accounts for an increasing share of equity

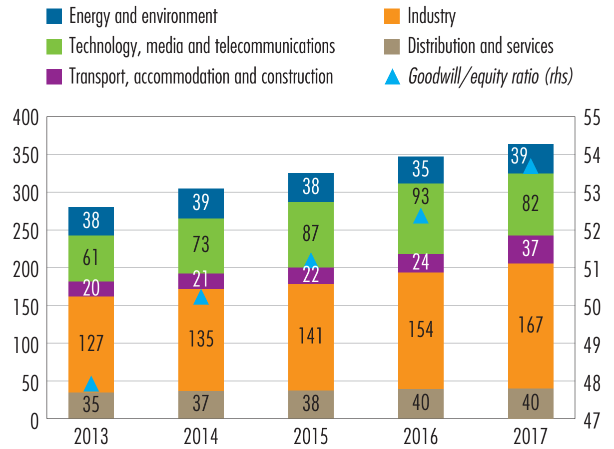
At the end of 2017, net goodwill[19] of the 80 largest groups amounted to EUR 365 billion, up by a total of almost one-third over the previous four years (see Chart 16). Goodwill has accounted for more than half of equity since 2014, with the ratio increasing steadily and amounting to 54% in 2017.

Although this increase applied to all the sectors under review, it reflects a variety of realities. The increase was modest in the energy and environment sector (up 4.5% between 2013 and 2017) mainly due to significant asset impairments recorded in the 2015 and 2016 financial statements following the drop in oil and gas prices.

Over the period under review, the most striking increase was observed in the transport, accommodation and construction sector (up 82.5%) but this was primarily

19 Goodwill is the difference between the value of the consideration transferred and the fair value of the company acquired, at the acquisition date.

C16 Goodwill by sector and as a share of total equity
(left-hand scale in EUR billions, right-hand scale in %)



Sources: Financial statements of the 80 largest groups, April 2018. Banque de France calculations, May 2018.

due to the integration for accounting purposes of a group that moved from the technology, media and telecommunications sector during the 2017 financial year.

This transaction had the opposite effect on the goodwill of companies in the technology, media and telecommunications sector. The linear progression observed in the industrial sector (an increase of 31.5% over the period under review) can be explained by recurring external growth transactions that generated additional goodwill for the industrial groups.

An increase in market capitalisation

2017 was a very satisfactory year for the main French groups as their market capitalisation grew by 15.1% year-on-year.

They easily outperformed the European Stoxx 600 index,[20] which rose by 7.7%, but lagged behind the growth of 19.4% observed in the American S&P 500 index[21] that was boosted by shares in technology companies, which are less represented in our sample.

The market capitalisation of the 80 largest groups increased to EUR 1,496 billion at end-2017 from EUR 1,300 billion at end-2016. Consequently, the Price to Book Ratio (market capitalisation over equity) rose above two.

20 A stock index made up of the 600 largest market capitalisation companies in Europe.
21 A stock index made up of the 500 largest market capitalisation companies in the United States.

Appendix 1
Methodology

This study covers non-financial groups listed on the Paris financial market, which published their annual financial statements for the year ended 31 December 2017 and belong to segment A of Euronext (capitalisation above EUR 1 billion). Furthermore, these companies are required to have observed these criteria for at least two reporting periods and to have kept records for the entire period under review. The sample contains 80 groups.

The annual consolidated financial statements for 2013 to 2017 are taken into consideration and the groups are classified according to the sectors shown in the table below.

The sample does not include the following groups:

• groups whose majority shareholders are not French or who only conduct a marginal share of their business in France: Alcatel-Lucent, ArcelorMittal, LafargeHolcim, Schlumberger, STMicroelectronics, Technip and XPO Logistics;

• financial and similar institutions: Amundi, AXA, BNP Paribas, CIC, CNP, Crédit Agricole, Coface, Euler Hermès, Eurazéo, Natixis, NYSE Euronext, Rothschild & Co, Scor SE and Société Générale;

• groups with financial years not ending 31 December: Alstom, Beneteau, Elior, Eutelsat Communications, LDC, Neopost, Pernod Ricard, Rémy Cointreau, Sodexo, Ubisoft, Vilmorin & Cie and Zodiac Aerospace;

• property companies: Altarea, Eurosic, FDL, Foncière des murs, Foncière de Paris, Foncière des régions, Foncière lyonnaise, Gecina Nominatif, Icade, Klépierre, Mercialys, Silic and Unibail-Rodamco;

• groups already consolidated into another group or investment fund: Artois Nominatif, Burelle, Cambodge Nominatif, Rallye, Christian Dior, Colas, Faurecia, FFP, Fimalac, Financière de l'Odet, Havas (since 2013), Paris-Orléans, TF1, Unibel and Worldline.

Groups included in the review

Energy and environment	Direct Énergie, EDF, Engie, Suez Environnement, Total, Veolia Environnement
Industry	Airbus group, Air Liquide, Arkema, Bic, BioMérieux, Boiron, Danone, Dassault Aviation, Eramet, Essilor, Groupe Bel, Hermès, Imerys, Ipsen, Legrand, Lisi, L'Oréal, LVMH, Michelin, Nexans, Peugeot SA, Plastic Omnium, Renault, Safran, Saint-Gobain, Sanofi, Schneider Electric, SEB, Somfy, Tarkett, Thales, Valeo, Vallourec, Vicat, Virbac
Distribution and services	Bureau Veritas, Carrefour, Casino Guichard, Edenred, Eurofins, Fnac-Darty, JCDecaux, Kering, Nexity, Rexel, Rubis, Spie, Téléperformance
Technology, media and telecommunications	Alten, Altran Technologies, Atos, Capgemini, Dassault Systèmes, Gemalto, Iliad, Ingenico, Ipsos, Lagardère, Métropole TV, Altice, Orange, Publicis, Sopra Steria Group, Technicolor, Vivendi[a]
Transport, accommodation and construction	Accor, ADP, Air France-KLM, Bolloré, Bouygues, Eiffage, Eurotunnel, Korian, Orpéa, Vinci

a) Vivendi was consolidated within the Bolloré Group in 2017.

Appendix 2
Data analysed

The principal accounting items analysed for the 80 groups chosen for the 2017 sample group are as follows:

General information

Company name
SIREN business identification number
NACE code of group's principal activity

Statement of profit or loss

Turnover
- o/w turnover in France
- o/w turnover by geographical area (Europe, Americas and Rest of the world)

EBITDA[1]
Operating income[2]
Current operating income
Net income

Statement of comprehensive income

Variations in currency translation adjustments
Available for sale financial assets
Cash flow hedges
Revaluation surplus variations
Actuarial gains and losses
Gains and losses of affiliates recorded directly in equity
Others
Comprehensive income

Balance sheet

Goodwill – Gross value
Goodwill – Net value
Other intangible assets
Tangible fixed assets
Inventories
Trade receivables
Total current and non-current assets
Total financial debts
o/w bond debt
Non-controlling interests
Equity
Trade payables
Total current and non-current liabilities

Statement of changes in equity

Change in share capital
Dividends paid (group share + non-controlling interests)
Currency translation adjustments
Gains and losses on financial instruments
Revaluation of other assets
Actuarial gains and losses
Companies consolidated using the equity method

Statement of cash flows

Cash flow from operating activities
Cash flow from investing activities
- acquisitions of tangible and intangible fixed assets
- acquisitions of financial fixed assets
- disposals of tangible and intangible fixed assets
- disposals of financial fixed assets

Cash flow from financing activities
Change in cash and cash equivalents
Cash and cash equivalents at year-end

Market capitalisation

1 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) is calculated as the difference between operating income and expenses, excluding operating depreciation and amortisation. EBITDA measures the profitability of companies' operating cycle, independently of their investment policy, financing strategy or income taxes. It is comparable to gross operating surplus as defined by the French general chart of accounts. 38 of the groups in our sample directly report this profitability indicator. For the other groups in the sample, it was extrapolated from information reported in their annual financial statements.

2 Operating income corresponds to EBITDA less net allocations to depreciation, amortisation and provisions. It is calculated before financial income/expenses and taxes and measures the intrinsic performance of a group. In contrast to EBITDA, it reflects the capital intensity of the operating cycle.

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