

Analysis of economic performance of selected state-owned and private-owned companies in Slovakia

Robert Kičina, INEKO, Slovakia

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Project

The methodology has been created within the initiative "**Promoting transparency and implementation of anti-corruption measures in state-owned enterprises and local governments in Ukraine**". This initiative is being implemented from October 2018 until March 2020 by Ukrainian think-tank the International Centre for Policy Studies (ICPS), in partnership with the Institute for Economic and Social Reforms in Slovakia (INEKO) with the financial support of the Official Development Assistance of the Slovak Republic (SlovakAid). It aims to improve the efficiency of the state administration, self-government and civil society in the area of creation and oversight of regional policies, administration of state-owned enterprises, and monitoring of budgets and information openness of local authorities.

Objective

The overall objective of the analysis was to check the financial performance of the 29 largest Slovak state-owned enterprises (SOE) and to compare it with the financial performance of selected private-owned companies from the same industries. The secondary goal was to set benchmarks for financial analysis indicators to enable comparison of economic performance of Slovak and Ukrainian companies. Results will be included in the interactive model of financial health of state-owned companies.

Methodology

In the analysis we compared performance of 29 largest Slovak state-owned companies (fully or partially owned by the state) and 29 private companies from particular industries. As there was 64 SOEs in total at the end of 2018 in Slovakia, the analysis covers almost half of them, the ones with the highest revenues. They can be divided into 3 major industry sectors: Energy (8 SOEs), Healthcare (7 SOEs), Transport and logistics (10 SOEs). Further, there were companies from Finance (2 SOEs), Car maintenance (1 SOE) and Waste disposal sectors (1 SOE).

Following financial indicators have been calculated for selected companies:

- Return on Equity

Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

ROE is expressed as a percentage and calculated as: $\text{Return on Equity} = \text{Net Income} / \text{Shareholder's Equity}$

- Return on Assets

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives a manager, investor, or analyst an idea as to how efficient a company's management is at using its assets to generate earnings. Return on assets is displayed as a percentage and its calculated as: $\text{ROA} = \text{Net Income} / \text{Total Assets}$

- Profit Margin (Return on Sales)

Profit margin is a profitability ratios calculated as net income divided by revenue, or net profits divided by sales. Net income or net profit may be determined by subtracting all of a company's expenses, including operating costs, material costs (including raw materials) and tax costs, from its total revenue. Profit margins are expressed as a percentage and, in effect, measure how much out of every dollar of sales a company actually keeps in earnings. A 20% profit margin, then, means the company has a net income of \$0.20 for each dollar of total revenue earned.

The method of calculating profit margin when the term is used in this way can be represented with the following formula: $\text{Profit Margin} = \text{Net Income} / \text{Net Sales (revenue)}$.

- Total debt to Total Assets ratio

Total debt to total assets is a leverage ratio that defines the total amount of debt relative to assets. This metric enables comparisons of leverage to be made across different companies. The higher the ratio, the higher the degree of leverage (DoL) and, consequently, financial risk. The total debt to total assets is a broad ratio that includes long-term and short-term debt (borrowings maturing within one year), as well as all assets – tangible and intangible.

It can be calculated as: $\text{Total Debt To Total Assets} = (\text{Short Term Debt} + \text{Long Term Debt}) / \text{Total Assets}$

- Current Ratio

The current ratio is a liquidity ratio that measures a company's ability to pay short-term and long-term obligations. To gauge this ability, the current ratio considers the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities.

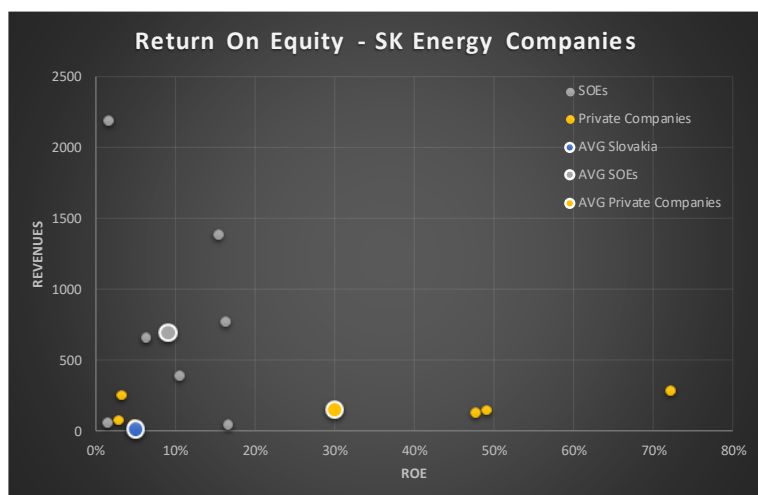
The formula for calculating a company's current ratio is: $\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$

To minimize data fluctuation and to get more objective results we used 3-year average values to calculate the final indicators (e.g. average revenues of the company in the period 2015-2017).

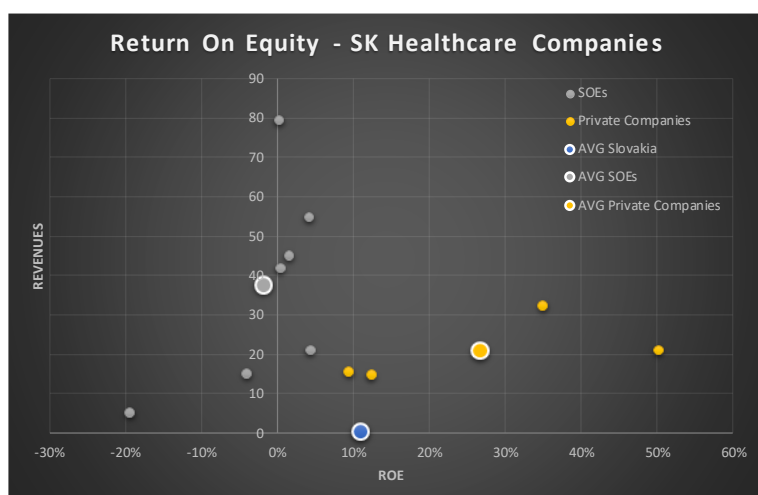
Return on Equity in selected companies in Slovakia

State's share	Company	Sector	Profit (in mil eur)			AVG PROFIT	Revenues (in mil eur)			AVG REVENUES	Equity	AVG ROE	Industry AVG
			2015	2016	2017		2015	2016	2017				
100	Slovenský plynárenský priemysel, a.s.	Energy	435.1	463	319	405.7	1358.5	1280.3	1494	1377.6	2622	15.5%	5.1%
100	Slovenská elektrizačná prenosová sústava, a.s.	Energy	73	57.4	74.3	68.2	395	361.1	413.7	389.9	638.4	10.7%	
100	Transpetrol, a.s.	Energy	7.1	4.5	3.6	5.1	53.7	52.8	56	54.2	318.2	1.6%	
51	Západoslovenská energetika, a.s.	Energy	58	50.9	68.8	59.2	44.2	37.7	16.9	32.9	354.8	16.7%	
51	Stredoslovenská energetika, a.s.	Energy	65.7	78	6.4	50.0	682.3	646	607.4	645.2	783.1	6.4%	
51	Východoslovenská energetika Holding, a.s.	Energy	22.8	41.3	15.8	26.6	25.3	24.1	20.8	23.4	576.4	4.6%	
51	eustream, a.s.	Energy	418.3	387.4	352.4	386.0	778.7	761.9	757.1	765.9	2358	16.4%	
34	Slovenské elektrárne, a.s.	Energy	24	114.4	73.3	70.6	2255.6	2126.1	2183	2188.2	4012	1.8%	
privat	innogy Slovensko s. r. o.	Energy	5.7	4.3	7.8	5.9	348.6	286.4	196.9	277.3	8.2	72.4%	
privat	VELEX ENERGO s.r.o.	Energy	0.7	0.8	-1.4	0.0	46.6	71.6	90.2	69.5	1.1	3.0%	
privat	ELGAS, k.s.	Energy	2.4	10.9	-3.1	3.4	206.5	236.1	277.4	240.0	-1	-340%	
privat	ČEZ Slovensko, s.r.o.	Energy	1.5	3.6	-3.1	0.7	250.9	232.7	250.6	244.7	20.3	3.3%	
privat	Pow-en a. s.	Energy	8.9	11.8	7.4	9.4	107.8	122.7	134	121.5	19.6	47.8%	
privat	MAGNA ENERGIA a.s.	Energy	1.4	1.4	0.6	1.1	111.3	115.1	195	140.5	2.3	49.3%	
privat	SLOVINTEGRA ENERGY, a.s.	Energy	2.1	5.3	-2.8	1.5	40.9	40.9	28.4	36.7	31.5	4.9%	
100	Východoslovenský ústav srdcových a cievnych chorôb, a.s.	Health	2.8	1.3	0.5	1.5	56.1	52.7	55.4	54.7	35.9	4.3%	11.0%
100	Východoslovenský onkologický ústav, a.s.	Health	0.9	0.9	1.3	1.0	19.9	20.3	21.9	20.7	23.7	4.4%	
100	Stredoslovenský ústav srdcových a cievnych chorôb, a.s.	Health	0.7	0.4	0.4	0.5	45.3	43	46.1	44.8	29.1	1.7%	
100	Nemocnica Poprad, a.s.	Health	0.3	0	0.1	0.1	40.8	41.4	43	41.7	29.3	0.5%	
100	Národný ústav srdcových a cievnych chorôb, a.s.	Health	0.1	0.4	0.3	0.3	82.9	76	79.3	79.4	98.8	0.3%	
100	Nemocnica svätého Michala, a.s.	Health	-6.2	-7.3	3.7	-3.3	12.7	15.9	16.1	14.9	83.3	-3.9%	
100	Letecká vojenská nemocnica, a.s.	Health	-0.3	-0.4	-0.4	-0.4	5	5.1	5.2	5.1	1.9	-19.3%	
privat	Nemocnica Košice-Šaca a.s. 1. súkromná nemocnica	Health	2.4	1.9	2.1	2.1	29.9	33	33.7	32.2	6.1	35.0%	
privat	Nemocnica s poliklinikou Štefana Kukuru Michalovce, a.s.	Health	0.3	0.3	0.6	0.4	19.8	21.0	21.6	20.8	0.8	50.3%	
privat	Nemocnica Zvolen a. s.	Health	0.0	0.0	-0.8	-0.2	15.5	17.7	17.3	16.8	0.2	-121%	
privat	Nemocnica s poliklinikou Sv. Lukáša Galanta, a.s.	Health	0.0	1.2	0.4	0.5	14.6	15.4	16.8	15.6	5.5	9.5%	
privat	Všeobecná nemocnica s poliklinikou Levoča, a.s.	Health	0.3	0.1	0.2	0.2	13.3	14.9	15.5	14.6	1.8	12.4%	
100	Slovenská záručná a rozvojová banka, a.s.	Finance	3	2.5	3.5	3.0	20.7	18.8	17.6	19.0	297	1.0%	13.3%
100	Exportno - importná banka Slovenskej republiky	Finance	0.3	0.5	-4.7	-1.3	14.8	14.2	10.1	13.0	281.1	-0.5%	
privat	Poštová banka, a.s.	Finance	54.3	49.3	47.9	50.5	279.1	234.7	217	243.6	642.7	7.9%	
privat	Slovenská sporiteľňa, a.s.	Finance	184.1	202.2	162.1	182.8	525.7	510.9	608	548.2	1505	12.1%	
privat	Všeobecná úverová banka, a.s.	Finance	130.4	265.2	160	185.2	562.5	523.8	514.8	533.7	1556	11.9%	
100	Národná diaľničná spoločnosť, a.s.	Trans. & Logistics	23.3	28.2	29.1	26.9	244.2	255.2	271.3	256.9	3795.0	0.7%	4.3%
100	Železnice Slovenskej republiky	Trans. & Logistics	17.2	8.2	0.1	8.5	470.3	163	161.5	264.9	1680.0	0.5%	
100	Železničná spoločnosť Cargo Slovakia, a.s.	Trans. & Logistics	0.1	0.1	0.2	0.1	268.8	265.4	269.4	267.9	114.5	0.1%	
100	Železničná spoločnosť Slovensko, a.s.	Trans. & Logistics	-5.2	-5.2	-4.1	-4.8	90	90.6	102.5	94.4	139.7	-3.5%	
100	Letisko M.R. Štefánika - Airport Bratislava, a.s.	Trans. & Logistics	-7.3	-6.3	-3.6	-5.7	20.4	20.9	23.9	21.7	232.0	-2.5%	
100	Letisko Sliač, a.s.	Trans. & Logistics	-0.1	0.1	0	0.0	1.5	1.9	1.7	1.7	1.8	0.0%	
100	Slovenská pošta, a.s.	Trans. & Logistics	2.2	2.3	0.3	1.6	292.1	299.4	301.6	297.7	232.6	0.7%	
98	Letisko Poprad - Tatry, a.s.	Trans. & Logistics	-0.5	-0.2	-0.2	-0.3	1.5	1.6	1.7	1.6	21.3	-1.4%	
34	Letisko Košice - Airport Košice, a.s.	Trans. & Logistics	2	1.5	1.9	1.8	8.2	8.3	9.9	8.8	52.5	3.4%	
21	Letisko Piešťany, a.s.	Trans. & Logistics	-0.5	-0.7	-0.4	-0.5	0.5	0.3	0.3	0.4	19.3	-2.8%	
privat	BUDAMAR LOGISTICS, a.s.	Trans. & Logistics	8.8	7.9	7.2	8.0	153.4	161.5	175.5	163.5	46.6	17.1%	
privat	Railtrans International, a.s.	Trans. & Logistics	2.1	2.7	3.2	2.7	45.1	53	58.1	52.1	8.6	31.0%	
privat	Slovak Lines, a.s.	Trans. & Logistics	0.6	0.6	0.8	0.7	8.7	7.9	7.6	8.1	41.4	1.6%	
privat	ARRIVA NITRA a.s.	Trans. & Logistics	0.1	0.4	-0.2	0.1	10.1	10.1	9.9	10.0	14.2	0.7%	
privat	ARRIVA Nové Zámky, a.s.	Trans. & Logistics	0.6	1.1	0.9	0.9	8.3	8.1	7.9	8.1	10.4	8.3%	
privat	Slovenská autobusová doprava Trenčín, a.s.	Trans. & Logistics	0.93	0.95	0.8	0.9	13.2	14.6	15.6	14.5	13.8	6.5%	
privat	eurobus, a.s.	Trans. & Logistics	0.5	0.32	0.2	0.3	13.5	13	12.3	12.9	21.9	1.6%	
privat	DHL Express (Slovakia), spol. s r. o.	Trans. & Logistics	-0.2	1.5	0.9	0.7	103.2	102.5	86.8	97.5	2.5	29.3%	
privat	GLS General Logistics Systems Slovakia s.r.o.	Trans. & Logistics	2.2	2.5	2.3	2.3	18.3	22.3	22.8	21.1	7.3	32.0%	
privat	Slovak Parcel Service s.r.o.	Trans. & Logistics	1.4	1.3	1.2	1.3	33.1	36.9	38.2	36.1	15.7	8.3%	
privat	Direct Parcel Distribution SK s.r.o.	Trans. & Logistics	1.6	1.8	1.9	1.8	20.6	22.3	25	22.6	7.7	22.9%	
100	Automobilové opravovne Ministerstva vnútra SR, a.s.	Car maintenance	-0.1	0	0	0.0	11.9	14	15	13.6	15.4	-0.2%	4.7%
privat	ARRIVA Slovakia a.s.	Car maintenance	1.4	0.9	0.1	0.8	8.7	17.5	22.4	16.2	23.9	3.3%	
100	Jadrová a vyraďovacia spoločnosť, a. s.	Dangerous Waste	14.2	12.9	7.7	11.6	46	35.2	26	35.7	228.3	5.1%	4.7%
privat	EBA, s.r.o.	Dangerous Waste	2	1.2	0.3	1.2	40.2	23.2	14.8	26.1	7.5	15.6%	

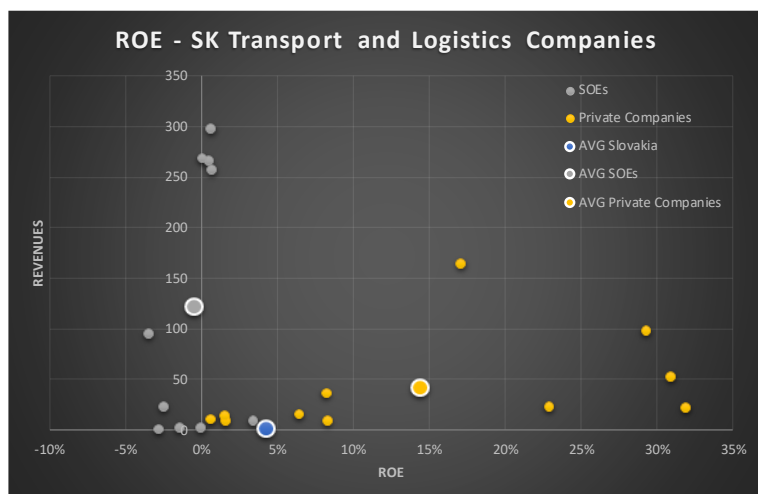
Source: Finstat (www.finstat.sk)



The main energy companies – natural monopolies - are fully or partially owned by state. They usually gain extremely high revenues (y-axis) but much lower ROE compared to private energy companies. However, when compared to SK industry average almost all of them are over-performers (except for 2 SOEs and 2 private). Private companies are mostly newcomers and are significantly smaller. However, they get much higher ROE. Positive ROE values are results of partial privatization of energy distributing companies and private investors' pressure on efficiency, and monopoly position of utilities infrastructure owners.



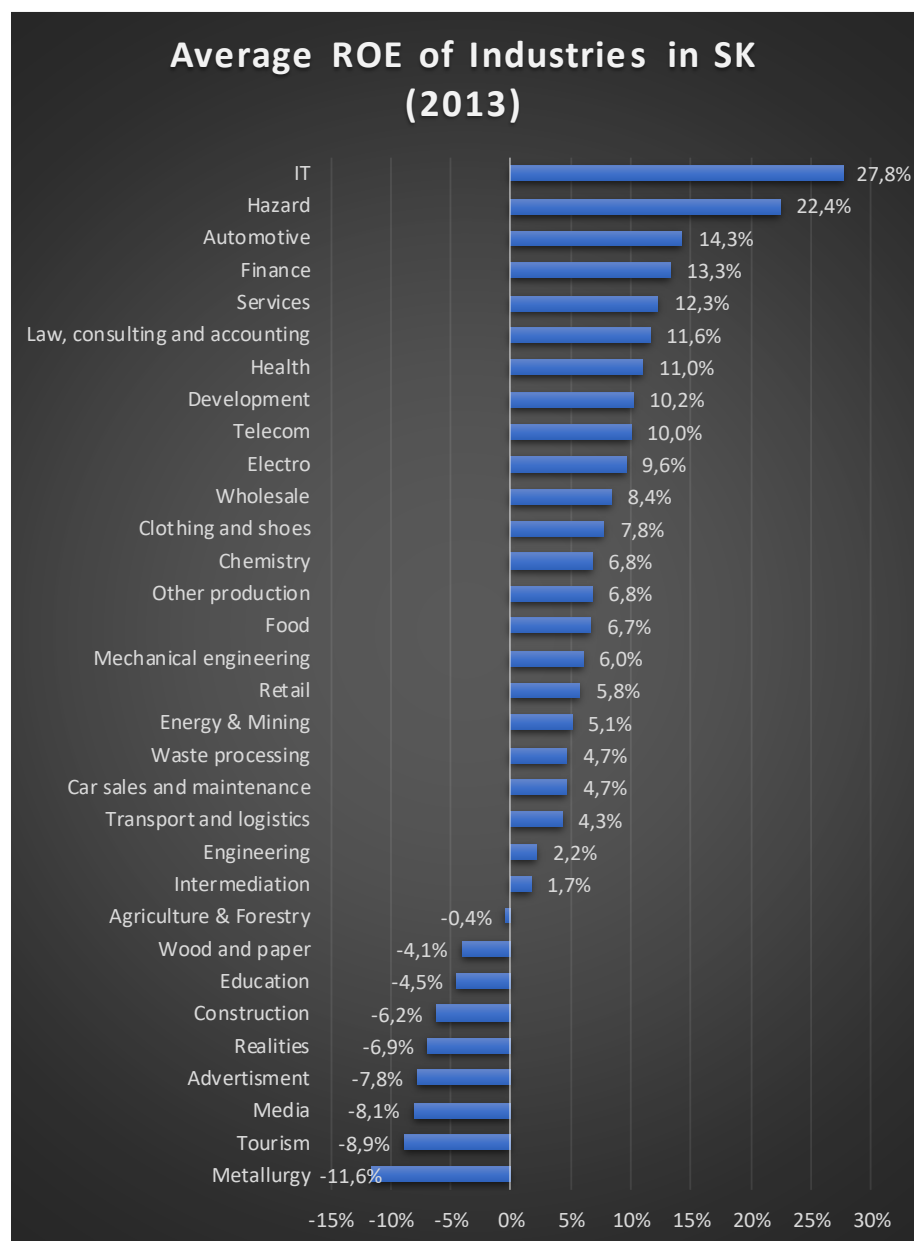
Private capital in healthcare significantly improves the efficiency of companies in the industry. State owned companies' ROE is below industry average – average is negative, very close to zero, while private companies' ROE is (excepting for one) highly above the average. The results show that expectations and pressure of investors and professional management of private companies in healthcare lead to improved performance and significantly higher returns on invested capital.



All state-owned transport and logistics companies under-perform when assessing ROE indicator. Former monopolies in transport are still under strong influence of politicians. The companies are expected to consider also social aspects, not just efficiency, when deciding about the scope of service. Moreover, there are high trade barriers for competitors to enter selected segments of this market (e.g. railways). However there are few growing alternative providers (especially in B2B segment) with significantly growing revenues and high rates of efficiency reflected in positive values of ROE.

Source: Finstat (www.finstat.sk)

Based on data of finstat.sk portal, the average values for ROE of industries in Slovakia in 2013 ¹were as follows:



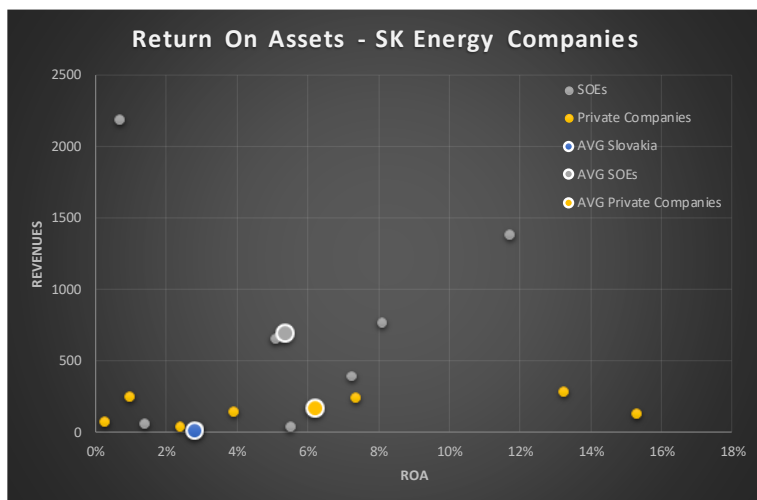
Source: Finstat (www.finstat.sk)

¹ Latest available data of average financial indicators for industries in Slovakia. Relevant enough to set basic benchmarks for analyses of SK and UA companies.

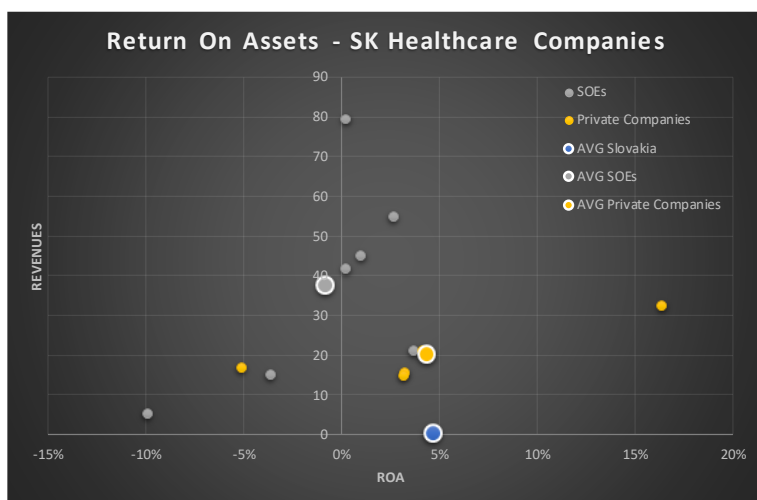
Return on Assets in selected companies in Slovakia

State's share	Company	Sector	Profit (in mil eur)			AV PROFIT	Revenues (in mil eur)			AV REVENUES	Assets	AV ROA	IND AV ROA
			2015	2016	2017		2015	2016	2017				
100	Slovenský plynárenský priemysel, a.s.	Energy	435.1	463	319	405.7	1358.5	1280.3	1494	1377.6	3452	11.8%	2,8%
100	Slovenská elektrizačná prenosová sústava, a.s.	Energy	73	57.4	74.3	68.2	395	361.1	413.7	389.9	937.1	7.3%	
100	Transpetrol, a.s.	Energy	7.1	4.5	3.6	5.1	53.7	52.8	56	54.2	356	1.4%	
51	Západoslovenská energetika, a.s.	Energy	58	50.9	68.8	59.2	44.2	37.7	16.9	32.9	1068	5.5%	
51	Stredoslovenská energetika, a.s.	Energy	65.7	78	6.4	50.0	682.3	646	607.4	645.2	979	5.1%	
51	Východoslovenská energetika Holding, a.s.	Energy	22.8	41.3	15.8	26.6	25.3	24.1	20.8	23.4	907.5	2.9%	
51	eustream, a.s.	Energy	418.3	387.4	352.4	386.0	778.7	761.9	757.1	765.9	4761	8.1%	
34	Slovenské elektrárne, a.s.	Energy	24	114.4	73.3	70.6	2255.6	2126.1	2183	2188.2	9919	0.7%	
privat	innogy Slovensko s. r. o.	Energy	5.7	4.3	7.8	5.9	348.6	286.4	196.9	277.3	44.7	13.3%	
privat	VELEX ENERGO s.r.o.	Energy	0.7	0.8	-1.4	0.0	46.6	71.6	90.2	69.5	12.4	0.3%	
privat	ELGAS, k.s.	Energy	2.4	10.9	-3.1	3.4	206.5	236.1	277.4	240.0	46.1	7.4%	
privat	ČEZ Slovensko, s.r.o.	Energy	1.5	3.6	-3.1	0.7	250.9	232.7	250.6	244.7	67.7	1.0%	
privat	Pow-en a. s.	Energy	8.9	11.8	7.4	9.4	107.8	122.7	134	121.5	61.1	15.3%	
privat	MAGNA ENERGIA a.s.	Energy	1.4	1.4	0.6	1.1	111.3	115.1	195	140.5	28.8	3.9%	
privat	SLOVINTEGRA ENERGY, a.s.	Energy	2.1	5.3	-2.8	1.5	40.9	40.9	28.4	36.7	63.4	2.4%	
100	Východoslovenský ústav srdcových a cievnych chorôb, a.s.	Health	2.8	1.3	0.5	1.5	56.1	52.7	55.4	54.7	56.5	2.7%	4,7%
100	Východoslovenský onkologický ústav, a.s.	Health	0.9	0.9	1.3	1.0	19.9	20.3	21.9	20.7	27.6	3.7%	
100	Stredoslovenský ústav srdcových a cievnych chorôb, a.s.	Health	0.7	0.4	0.4	0.5	45.3	43	46.1	44.8	47.6	1.1%	
100	Nemocnica Poprad, a.s.	Health	0.3	0	0.1	0.1	40.8	41.4	43	41.7	47.4	0.3%	
100	Národný ústav srdcových a cievnych chorôb, a.s.	Health	0.1	0.4	0.3	0.3	82.9	76	79.3	79.4	119	0.2%	
100	Nemocnica svätého Michala, a.s.	Health	-6.2	-7.3	3.7	-3.3	12.7	15.9	16.1	14.9	90.9	-3.6%	
100	Letecká vojenská nemocnica, a.s.	Health	-0.3	-0.4	-0.4	-0.4	5	5.1	5.2	5.1	3.7	-9.9%	
privat	Nemocnica Košice-Šaca a.s. 1. súkromná nemocnica	Health	2.4	1.9	2.1	2.1	29.9	33	33.7	32.2	13	16.4%	
privat	Nemocnica s poliklinikou Štefana Kukuru Michalovce, a.s.	Health	0.3	0.3	0.6	0.4	19.8	21.0	21.6	20.8	9.6	4.2%	
privat	Nemocnica Zvolen a. s.	Health	0.0	0.0	-0.8	-0.2	15.5	17.7	17.3	16.8	4.8	-5.1%	
privat	Nemocnica s poliklinikou Sv. Lukáša Galanta, a.s.	Health	0.0	1.2	0.4	0.5	14.6	15.4	16.8	15.6	15.8	3.3%	
privat	Všeobecná nemocnica s poliklinikou Levoča, a.s.	Health	0.3	0.1	0.2	0.2	13.3	14.9	15.5	14.6	7.0	3.2%	
100	Slovenská záručná a rozvojová banka, a.s.	Finance	3	2.5	3.5	3.0	20.7	18.8	17.6	19.0	553.2	0.5%	1,8%
100	Exportno - importná banka Slovenskej republiky	Finance	0.3	0.5	-4.7	-1.3	14.8	14.2	10.1	13.0	363.7	-0.4%	
privat	Poštová banka, a.s.	Finance	54.3	49.3	47.9	50.5	279.1	234.7	217	243.6	4310.8	1.2%	
privat	Slovenská sporiteľňa, a.s.	Finance	184.1	202.2	162.1	182.8	525.7	510.9	608	548.2	16315	1.1%	
privat	Všeobecná úverová banka, a.s.	Finance	130.4	265.2	160	185.2	562.5	523.8	514.8	533.7	14469	1.3%	
100	Národná diaľničná spoločnosť, a.s.	Trans. & Logistics	23.3	28.2	29.1	26.9	244.2	255.2	271.3	256.9	8943.0	0.3%	2,0%
100	Železnice Slovenskej republiky	Trans. & Logistics	17.2	8.2	0.1	8.5	470.3	163	161.5	264.9	3486.0	0.2%	
100	Železničná spoločnosť Cargo Slovakia, a.s.	Trans. & Logistics	0.1	0.1	0.2	0.1	268.8	265.4	269.4	267.9	336.3	0.0%	
100	Železničná spoločnosť Slovensko, a.s.	Trans. & Logistics	-5.2	-5.2	-4.1	-4.8	90	90.6	102.5	94.4	984.9	-0.5%	
100	Letisko M.R. Štefánika - Airport Bratislava , a.s.	Trans. & Logistics	-7.3	-6.3	-3.6	-5.7	20.4	20.9	23.9	21.7	305.0	-1.9%	
100	Letisko Sliač, a.s.	Trans. & Logistics	-0.1	0.1	0	0.0	1.5	1.9	1.7	1.7	3.1	0.0%	
100	Slovenská pošta, a.s.	Trans. & Logistics	2.2	2.3	0.3	1.6	292.1	299.4	301.6	297.7	442.8	0.4%	
98	Letisko Poprad - Tatry, a.s.	Trans. & Logistics	-0.5	-0.2	-0.2	-0.3	1.5	1.6	1.7	1.6	24.8	-1.2%	
34	Letisko Košice - Airport Košice , a.s.	Trans. & Logistics	2	1.5	1.9	1.8	8.2	8.3	9.9	8.8	54.5	3.3%	
21	Letisko Piešťany , a.s.	Trans. & Logistics	-0.5	-0.7	-0.4	-0.5	0.5	0.3	0.3	0.4	22.1	-2.4%	
privat	BUDAMAR LOGISTICS, a.s.	Trans. & Logistics	8.8	7.9	7.2	8.0	153.4	161.5	175.5	163.5	97.6	8.2%	
privat	Railtrans International, a.s.	Trans. & Logistics	2.1	2.7	3.2	2.7	45.1	53	58.1	52.1	28.8	9.3%	
privat	Slovak Lines, a.s.	Trans. & Logistics	0.6	0.6	0.8	0.7	8.7	7.9	7.6	8.1	56.9	1.2%	
privat	ARRIVA NITRA a.s.	Trans. & Logistics	0.1	0.4	-0.2	0.1	10.1	10.1	9.9	10.0	26.3	0.4%	
privat	ARRIVA Nové Zámky, a.s.	Trans. & Logistics	0.6	1.1	0.9	0.9	8.3	8.1	7.9	8.1	25.4	3.4%	
privat	Slovenská autobusová doprava Trenčín, a.s.	Trans. & Logistics	0.93	0.95	0.8	0.9	13.2	14.6	15.6	14.5	51.1	1.7%	
privat	eurobus, a.s.	Trans. & Logistics	0.5	0.32	0.2	0.3	13.5	13	12.3	12.9	41.7	0.8%	
privat	DHL Express (Slovakia), spol. s r. o.	Trans. & Logistics	-0.2	1.5	0.9	0.7	103.2	102.5	86.8	97.5	15.7	4.7%	
privat	GLS General Logistics Systems Slovakia s.r.o.	Trans. & Logistics	2.2	2.5	2.3	2.3	18.3	22.3	22.8	21.1	11.3	20.6%	
privat	Slovak Parcel Service s.r.o.	Trans. & Logistics	1.4	1.3	1.2	1.3	33.1	36.9	38.2	36.1	28.3	4.6%	
privat	Direct Parcel Distribution SK s.r.o.	Trans. & Logistics	1.6	1.8	1.9	1.8	20.6	22.3	25	22.6	12.6	14.0%	
100	Automobilové opravovne Ministerstva vnútra SR, a.s.	Car maintenance	-0.1	0	0	0.0	11.9	14	15	13.6	18.2	-0.2%	1,2%
privat	ARRIVA Slovakia a.s.	Car maintenance	1.4	0.9	0.1	0.8	8.7	17.5	22.4	16.2	39.2	2.0%	
100	Jadrová a vyraďovacia spoločnosť, a. s.	Dangerous Waste	14.2	12.9	7.7	11.6	46	35.2	26	35.7	1464	0.8%	1,0%
privat	EBA, s.r.o.	Dangerous Waste	2	1.2	0.3	1.2	40.2	23.2	14.8	26.1	12	9.7%	

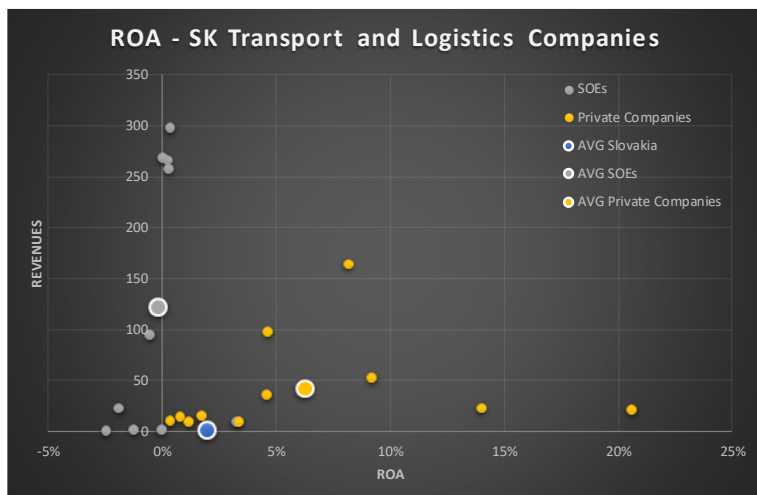
Source: Finstat (www.finstat.sk)



Distribution of companies on the ROA chart is very similar to the one on the ROE chart. Majority of SOEs over-performs as well as all private enterprises. Difference of the average ROA values of SOEs and private companies is not such big as in case of ROE. It means that private companies in energy sector in general have lower invested capital and more debts from external sources. Still, the difference in size between SOEs and private companies is significant.



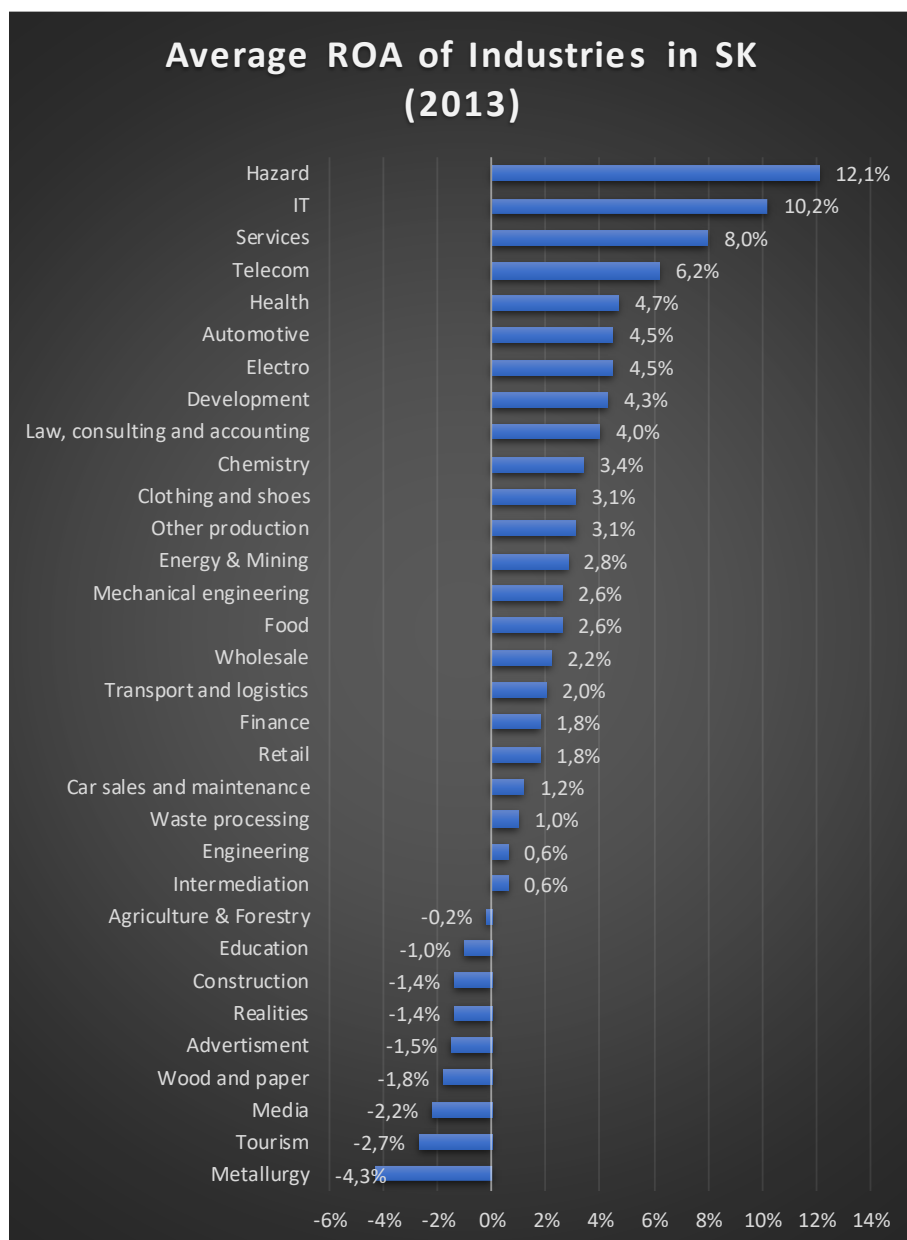
Only one private-owned companies in healthcare sector over-perform in ROA indicator. All other companies are below industry average. The reason is either low creation of profit or excessive volume of liabilities and debts in these companies. Average ROA of private companies that have been selected for the analysis is almost the same as the average ROA of all Slovak companies in healthcare sector. The average revenues of SOEs are double to revenues of selected private healthcare companies



All state-owned transport and logistics companies along with 4 small private ones from the poll under-performs in ROA evaluation and are below the industry average. Limited efficiency is a result of market barriers (in case of local transport providers) and expectations to partially provide public services at the expense of efficiency. The size of private companies varies. Four of them reported extra positive results in ROA indicator.

Source: Finstat (www.finstat.sk)

Based on data of finstat.sk portal, the average values for ROA of industries in Slovakia in 2013 were as follows:

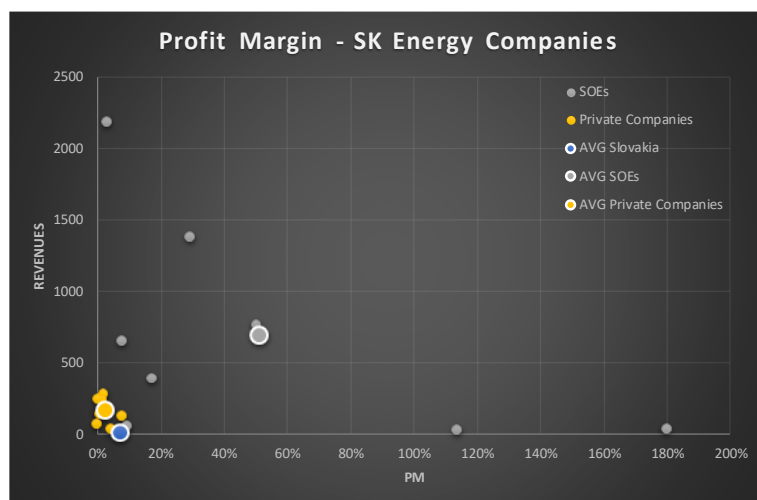


Source: Finstat (www.finstat.sk)

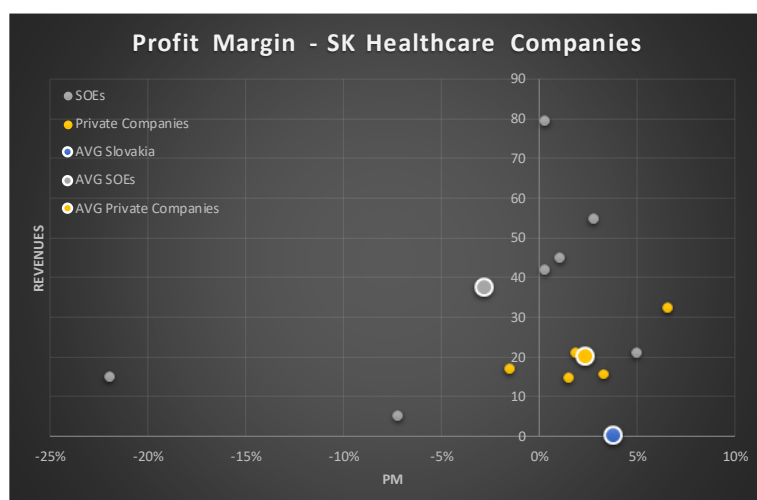
Profit Margin (Return on Sales) in selected companies in Slovakia

State's share	Company	Sector	Profit (in mil eur)			AV PROFIT	Revenues (in mil eur)			AV REVENUES	AV Profit Margin	IND AV Profit Margin
			2015	2016	2017		2015	2016	2017			
100	Slovenský plynárenský priemysel, a.s.	Energy	435.1	463	319	405.7	1358.5	1280.3	1494	1377.6	29.4%	7,2%
100	Slovenská elektrizačná prenosová sústava, a.s	Energy	73	57.4	74.3	68.2	395	361.1	413.7	389.9	17.5%	
100	Transpetrol, a.s.	Energy	7.1	4.5	3.6	5.1	53.7	52.8	56	54.2	9.4%	
51	Západoslovenská energetika, a.s.	Energy	58	50.9	68.8	59.2	44.2	37.7	16.9	32.9	179.9%	
51	Stredoslovenská energetika, a.s.	Energy	65.7	78	6.4	50.0	682.3	646	607.4	645.2	7.8%	
51	Východoslovenská energetika Holding, a.s.	Energy	22.8	41.3	15.8	26.6	25.3	24.1	20.8	23.4	113.8%	
51	eustream, a.s.	Energy	418.3	387.4	352.4	386.0	778.7	761.9	757.1	765.9	50.4%	
34	Slovenské elektrárne, a.s	Energy	24	114.4	73.3	70.6	2255.6	2126.1	2183	2188.2	3.2%	
privat	innogy Slovensko s. r. o.	Energy	5.7	4.3	7.8	5.9	348.6	286.4	196.9	277.3	2.1%	
privat	VELEX ENERGO s.r.o.	Energy	0.7	0.8	-1.4	0.0	46.6	71.6	90.2	69.5	0.0%	
privat	ELGAS, k.s.	Energy	2.4	10.9	-3.1	3.4	206.5	236.1	277.4	240.0	1.4%	
privat	ČEZ Slovensko, s.r.o.	Energy	1.5	3.6	-3.1	0.7	250.9	232.7	250.6	244.7	0.3%	
privat	Pow-en a. s.	Energy	8.9	11.8	7.4	9.4	107.8	122.7	134	121.5	7.7%	
privat	MAGNA ENERGIA a.s.	Energy	1.4	1.4	0.6	1.1	111.3	115.1	195	140.5	0.8%	
privat	SLOVINTEGRA ENERGY, a.s.	Energy	2.1	5.3	-2.8	1.5	40.9	40.9	28.4	36.7	4.2%	
100	Východoslovenský ústav srdcových a cievnych chorôb, a.s	Health	2.8	1.3	0.5	1.5	56.1	52.7	55.4	54.7	2.8%	3,8%
100	Východoslovenský onkologický ústav, a.s.	Health	0.9	0.9	1.3	1.0	19.9	20.3	21.9	20.7	5.0%	
100	Stredoslovenský ústav srdcových a cievnych chorôb, a.s.	Health	0.7	0.4	0.4	0.5	45.3	43	46.1	44.8	1.1%	
100	Nemocnica Poprad, a.s	Health	0.3	0	0.1	0.1	40.8	41.4	43	41.7	0.3%	
100	Národný ústav srdcových a cievnych chorôb, a.s	Health	0.1	0.4	0.3	0.3	82.9	76	79.3	79.4	0.3%	
100	Nemocnica svätého Michala, a.s	Health	-6.2	-7.3	3.7	-3.3	12.7	15.9	16.1	14.9	-21.9%	
100	Letecká vojenská nemocnica, a.s	Health	-0.3	-0.4	-0.4	-0.4	5	5.1	5.2	5.1	-7.2%	
privat	Nemocnica Košice-Šaca a.s. 1. súkromná nemocnica	Health	2.4	1.9	2.1	2.1	29.9	33	33.7	32.2	6.6%	
privat	Nemocnica s poliklinikou Štefana Kukuru Michalovce, a.s.	Health	0.3	0.3	0.6	0.4	19.8	21.0	21.6	20.8	1.9%	
privat	Nemocnica Zvolen a. s.	Health	0.0	0.0	-0.8	-0.2	15.5	17.7	17.3	16.8	-1.4%	
privat	Nemocnica s poliklinikou Sv. Lukáša Galanta, a.s.	Health	0.0	1.2	0.4	0.5	14.6	15.4	16.8	15.6	3.3%	
privat	Všeobecná nemocnica s poliklinikou Levoča, a.s.	Health	0.3	0.1	0.2	0.2	13.3	14.9	15.5	14.6	1.5%	
100	Slovenská záručná a rozvojová banka, a.s.	Finance	3	2.5	3.5	3.0	20.7	18.8	17.6	19.0	15.8%	8,1%
100	Exportno - importná banka Slovenskej republiky	Finance	0.3	0.5	-4.7	-1.3	14.8	14.2	10.1	13.0	-10.0%	
privat	Poštová banka, a.s	Finance	54.3	49.3	47.9	50.5	279.1	234.7	217	243.6	20.7%	
privat	Slovenská sporiteľňa, a.s.	Finance	184.1	202.2	162.1	182.8	525.7	510.9	608	548.2	33.3%	
privat	Všeobecná úverová banka, a.s.	Finance	130.4	265.2	160	185.2	562.5	523.8	514.8	533.7	34.7%	
100	Národná diaľničná spoločnosť, a.s	Trans. & Logistics	23.3	28.2	29.1	26.9	244.2	255.2	271.3	256.9	10.5%	4,6%
100	Železnice Slovenskej republiky	Trans. & Logistics	17.2	8.2	0.1	8.5	470.3	163	161.5	264.9	3.2%	
100	Železničná spoločnosť Cargo Slovakia, a.s.	Trans. & Logistics	0.1	0.1	0.2	0.1	268.8	265.4	269.4	267.9	0.0%	
100	Železničná spoločnosť Slovensko, a.s.	Trans. & Logistics	-5.2	-5.2	-4.1	-4.8	90	90.6	102.5	94.4	-5.1%	
100	Letisko M.R. Štefánika - Airport Bratislava , a.s.	Trans. & Logistics	-7.3	-6.3	-3.6	-5.7	20.4	20.9	23.9	21.7	-26.4%	
100	Letisko Sliač, a.s.	Trans. & Logistics	-0.1	0.1	0	0.0	1.5	1.9	1.7	1.7	0.0%	
100	Slovenská pošta, a.s.	Trans. & Logistics	2.2	2.3	0.3	1.6	292.1	299.4	301.6	297.7	0.5%	
98	Letisko Poprad - Tatry, a.s.	Trans. & Logistics	-0.5	-0.2	-0.2	-0.3	1.5	1.6	1.7	1.6	-18.8%	
34	Letisko Košice - Airport Košice , a.s.	Trans. & Logistics	2	1.5	1.9	1.8	8.2	8.3	9.9	8.8	20.5%	
21	Letisko Piešťany , a.s.	Trans. & Logistics	-0.5	-0.7	-0.4	-0.5	0.5	0.3	0.3	0.4	-145%	
privat	BUDAMAR LOGISTICS, a.s.	Trans. & Logistics	8.8	7.9	7.2	8.0	153.4	161.5	175.5	163.5	4.9%	
privat	Railtrans International, a.s.	Trans. & Logistics	2.1	2.7	3.2	2.7	45.1	53	58.1	52.1	5.1%	
privat	Slovak Lines, a.s.	Trans. & Logistics	0.6	0.6	0.8	0.7	8.7	7.9	7.6	8.1	8.3%	
privat	ARRIVA NITRA a.s.	Trans. & Logistics	0.1	0.4	-0.2	0.1	10.1	10.1	9.9	10.0	1.0%	
privat	ARRIVA Nové Zámky, a.s.	Trans. & Logistics	0.6	1.1	0.9	0.9	8.3	8.1	7.9	8.1	10.7%	
privat	Slovenská autobusová doprava Trenčín, a.s.	Trans. & Logistics	0.93	0.95	0.8	0.9	13.2	14.6	15.6	14.5	6.2%	
privat	eurobus, a.s.	Trans. & Logistics	0.5	0.32	0.2	0.3	13.5	13	12.3	12.9	2.6%	
privat	DHL Express (Slovakia), spol. s r. o.	Trans. & Logistics	-0.2	1.5	0.9	0.7	103.2	102.5	86.8	97.5	0.8%	
privat	GLS General Logistics Systems Slovakia s.r.o.	Trans. & Logistics	2.2	2.5	2.3	2.3	18.3	22.3	22.8	21.1	11.0%	
privat	Slovak Parcel Service s.r.o.	Trans. & Logistics	1.4	1.3	1.2	1.3	33.1	36.9	38.2	36.1	3.6%	
privat	Direct Parcel Distribution SK s.r.o.	Trans. & Logistics	1.6	1.8	1.9	1.8	20.6	22.3	25	22.6	7.8%	
100	Automobilové opravovne Ministerstva vnútra SR, a.s	Car maintenance	-0.1	0	0	0.0	11.9	14	15	13.6	-0.2%	0,5%
privat	ARRIVA Slovakia a.s.	Car maintenance	1.4	0.9	0.1	0.8	8.7	17.5	22.4	16.2	4.9%	
100	Jadrová a vyraďovacia spoločnosť, a. s.	Dangerous Waste	14.2	12.9	7.7	11.6	46	35.2	26	35.7	32.5%	2,7%
privat	EBA, s.r.o.	Dangerous Waste	2	1.2	0.3	1.2	40.2	23.2	14.8	26.1	4.5%	

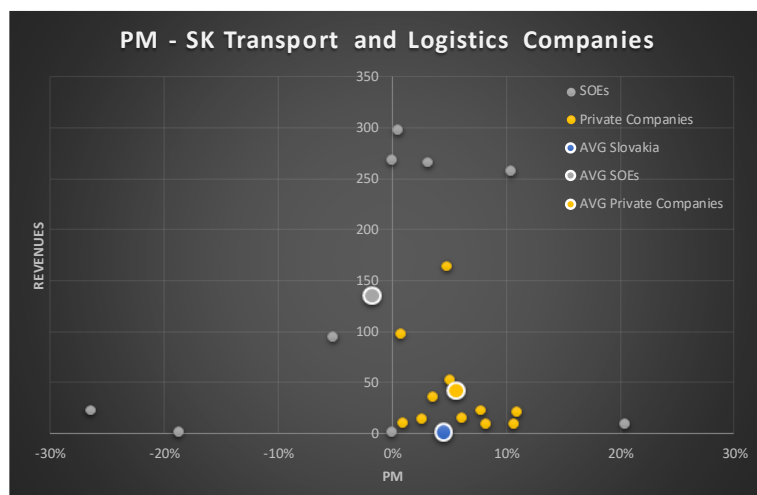
Source: Fintstat (www.fintstat.sk)



State-(co)owned energy companies report very high profit margin which - on one side - generates resources for public finance and future investments, but on the other hand it can be also a signal of inefficient regulation framework leading to higher prices for citizens and entrepreneurs. Profit margin in energy sector is one of few parameter in which SOEs outperformed private companies. Average profit margin of selected largest private energy companies is extremely low.



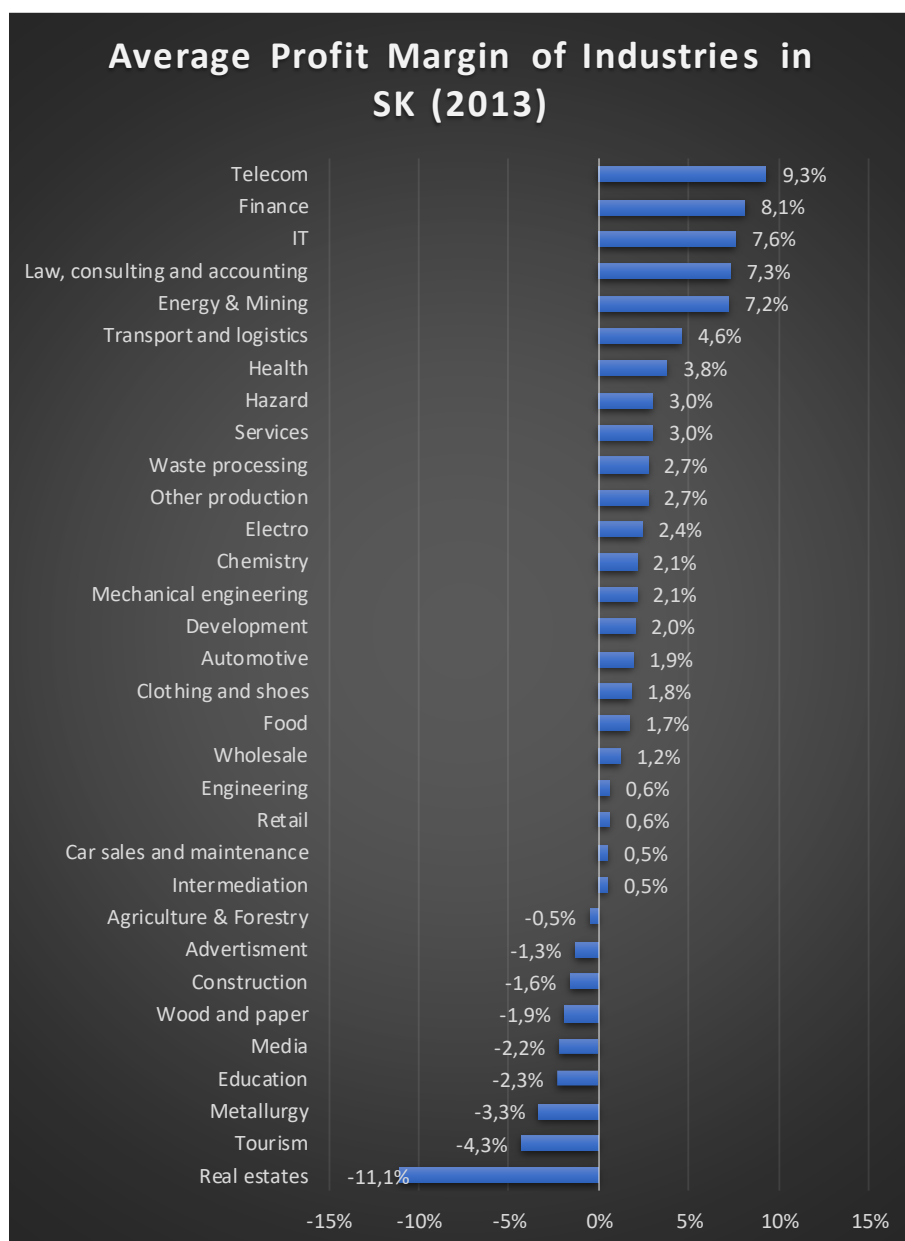
Profit margin of selected healthcare companies – both SOEs and private ones – is below the industry average because of their weak ability to generate profit. In the analysis we compared mostly healthcare providers. As their profit margin is below the industry average it confirms that healthcare provision is less profitable compared to other areas of healthcare. Still, results of the majority of companies shows that this business can be profitable if properly managed.



Profit margin of majority of private companies in transport and logistics fluctuates close to the industry average. However, SOEs are significantly below, with negative average profit margin.

Source: Finstat (www.finstat.sk)

Based on data of finstat.sk portal, the average values for Profit Margin of industries in Slovakia in 2013 were as follows:

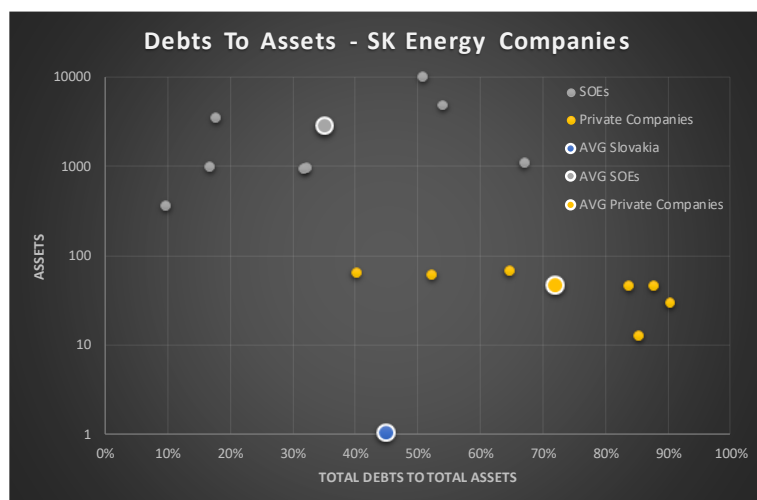


Source: Finstat (www.finstat.sk)

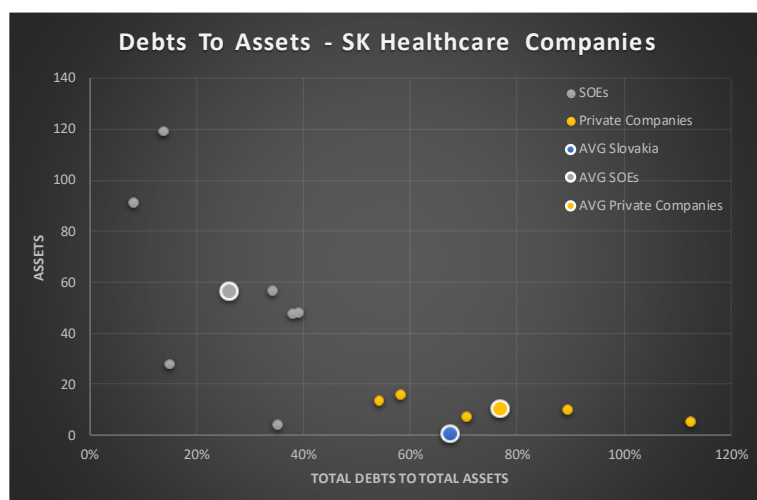
Total Debt to Total Assets in selected companies in Slovakia

State's share	Company	Sector	Assets	Total Debts to Total Assets			AV TD2TA	IND AV TD2TA
				2015	2016	2017		
100	Slovenský plynárenský priemysel, a.s.	Energy	3452.0	13.2%	16.1%	24.1%	17.8%	45,0%
100	Slovenská elektrizačná prenosová sústava, a.s	Energy	937.1	33.5%	31.2%	31.9%	32.2%	
100	Transpetrol, a.s.	Energy	356.0	10.0%	8.9%	10.6%	9.8%	
51	Západoslovenská energetika, a.s.	Energy	1068.0	66.7%	68.3%	66.8%	67.3%	
51	Stredoslovenská energetika, a.s.	Energy	979.0	17.5%	12.7%	20.0%	16.7%	
51	Východoslovenská energetika Holding, a.s.	Energy	907.5	26.8%	32.4%	36.5%	31.9%	
51	eustream, a.s.	Energy	4761.0	64.0%	47.8%	50.5%	54.1%	
34	Slovenské elektrárne, a.s	Energy	9919.0	34.9%	58.5%	59.6%	51.0%	
privat	innogy Slovensko s. r. o.	Energy	44.7	90.2%	91.7%	81.6%	87.8%	
privat	VELEX ENERGO s.r.o.	Energy	12.4	83.2%	82.4%	90.9%	85.5%	
privat	ELGAS, k.s.	Energy	46.1	74.4%	74.8%	102.2%	83.8%	67,6%
privat	ČEZ Slovensko, s.r.o.	Energy	67.7	68.1%	56.1%	70.0%	64.7%	
privat	Pow-en a. s.	Energy	61.1	44.2%	44.9%	67.9%	52.3%	
privat	MAGNA ENERGIA a.s.	Energy	28.8	85.7%	93.8%	92.1%	90.5%	
privat	SLOVINTEGRA ENERGY, a.s.	Energy	63.4	34.3%	36.2%	50.4%	40.3%	
100	Východoslovenský ústav srdcových a cievnych chorôb, a.s	Health	56.5	33.8%	32.6%	36.4%	34.3%	
100	Východoslovenský onkologický ústav, a.s.	Health	27.6	17.0%	14.3%	14.2%	15.2%	
100	Stredoslovenský ústav srdcových a cievnych chorôb, a.s.	Health	47.6	40.5%	38.6%	39.0%	39.4%	
100	Nemocnica Poprad, a.s.	Health	47.4	38.3%	37.7%	38.2%	38.1%	
100	Národný ústav srdcových a cievnych chorôb, a.s	Health	119	11.7%	13.1%	17.0%	13.9%	
100	Nemocnica svätého Michala, a.s	Health	90.9	7.7%	8.9%	8.5%	8.4%	
100	Letecká vojenská nemocnica, a.s.	Health	3.7	23.8%	34.7%	47.2%	35.2%	
privat	Nemocnica Košice-Šaca a.s. 1. súkromná nemocnica	Health	13	59.0%	50.5%	53.2%	54.2%	86,2%
privat	Nemocnica s poliklinikou Štefana Kukuru Michalovce, a.s.	Health	9.6	88.0%	88.8%	92.0%	89.6%	
privat	Nemocnica Zvolen a. s.	Health	4.8	142.7%	98.3%	96.7%	112.6%	
privat	Nemocnica s poliklinikou Sv. Lukáša Galanta, a.s.	Health	15.8	55.5%	53.9%	65.5%	58.3%	
privat	Všeobecná nemocnica s poliklinikou Levoča, a.s.	Health	7.0	68.2%	69.8%	74.3%	70.8%	
100	Slovenská záručná a rozvojová banka, a.s.	Finance	553.2	48.2%	48.8%	46.3%	47.8%	86,2%
100	Exportno - importná banka Slovenskej republiky	Finance	363.7	31.1%	18.7%	22.7%	24.2%	
privat	Poštová banka, a.s	Finance	4310.8	85.6%	85.7%	85.1%	85.5%	
privat	Slovenská sporiteľňa, a.s.	Finance	16315.0	89.2%	89.6%	90.8%	89.9%	
privat	Všeobecná úverová banka, a.s.	Finance	14469.0	90.1%	89.3%	87.2%	88.9%	54,0%
100	Národná diaľničná spoločnosť, a.s	Trans. & Logistics	8943.0	55.3%	57.0%	57.6%	56.6%	
100	Železnice Slovenskej republiky	Trans. & Logistics	3486.0	52.9%	52.3%	51.8%	52.3%	
100	Železničná spoločnosť Cargo Slovakia, a.s.	Trans. & Logistics	336.3	67.0%	66.6%	66.0%	66.5%	
100	Železničná spoločnosť Slovensko, a.s.	Trans. & Logistics	984.9	85.5%	85.8%	85.8%	85.7%	
100	Letisko M.R. Štefánika - Airport Bratislava , a.s.	Trans. & Logistics	305.0	25.2%	24.3%	23.9%	24.5%	
100	Letisko Sliač, a.s.	Trans. & Logistics	3.1	45.0%	43.8%	42.7%	43.8%	
100	Slovenská pošta, a.s.	Trans. & Logistics	442.8	48.8%	46.8%	47.5%	47.7%	
98	Letisko Poprad - Tatry, a.s.	Trans. & Logistics	24.8	16.1%	14.6%	14.1%	14.9%	
34	Letisko Košice - Airport Košice , a.s.	Trans. & Logistics	54.5	4.6%	4.3%	3.7%	4.2%	
21	Letisko Piešťany , a.s.	Trans. & Logistics	22.1	10.1%	11.5%	12.5%	11.4%	
privat	BUDAMAR LOGISTICS, a.s.	Trans. & Logistics	97.6	33.8%	42.9%	52.3%	43.0%	
privat	Railtrans International, a.s.	Trans. & Logistics	28.8	86.5%	89.5%	70.2%	82.1%	
privat	Slovak Lines, a.s.	Trans. & Logistics	56.9	34.5%	30.7%	27.3%	30.8%	
privat	ARRIVA NITRA a.s.	Trans. & Logistics	26.3	48.5%	41.3%	46.2%	45.3%	
privat	ARRIVA Nové Zámky, a.s.	Trans. & Logistics	25.4	68.4%	60.5%	59.2%	62.7%	
privat	Slovenská autobusová doprava Trenčín, a.s.	Trans. & Logistics	51.1	62.4%	63.2%	66.5%	64.0%	
privat	eurobus, a.s.	Trans. & Logistics	41.7	523.4%	50.9%	47.4%	207.2%	75,0%
privat	DHL Express (Slovakia), spol. s r. o.	Trans. & Logistics	15.7	92.3%	84.2%	84.3%	86.9%	
privat	GLS General Logistics Systems Slovakia s.r.o.	Trans. & Logistics	11.3	45.6%	42.9%	35.0%	41.2%	
privat	Slovak Parcel Service s.r.o.	Trans. & Logistics	28.3	43.5%	49.3%	44.4%	45.7%	
privat	Direct Parcel Distribution SK s.r.o.	Trans. & Logistics	12.6	39.3%	34.9%	39.2%	37.8%	77,8%
100	Automobilové opravovne Ministerstva vnútra SR, a.s	Car maintenance	18.2	9.0%	16.1%	15.8%	13.6%	
privat	ARRIVA Slovakia a.s.	Car maintenance	39.2	49.2%	34.0%	39.2%	40.8%	77,8%
100	Jadrová a vyrážačová spoločnosť, a. s.	Dangerous Waste	1464.0	85.5%	84.9%	84.4%	84.9%	
privat	EBA, s.r.o.	Dangerous Waste	12.0	54.2%	52.7%	37.5%	48.1%	

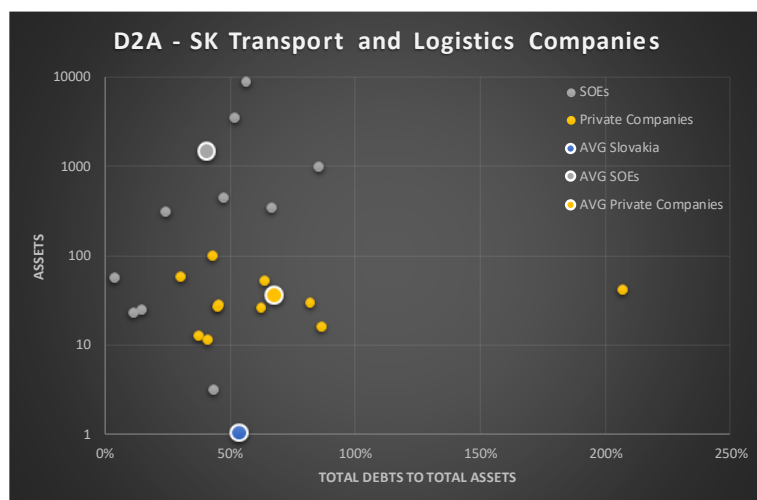
Source: Finstat (www.finstat.sk)



Indebtedness of private companies is significantly higher when compared with SOEs. It reflects high investment demandingness of energy sector where new private companies needed high investments to be able to compete with (fully or partially) SOEs. Former energy monopolies are capitalized primarily on public money with lower necessity for external loans.



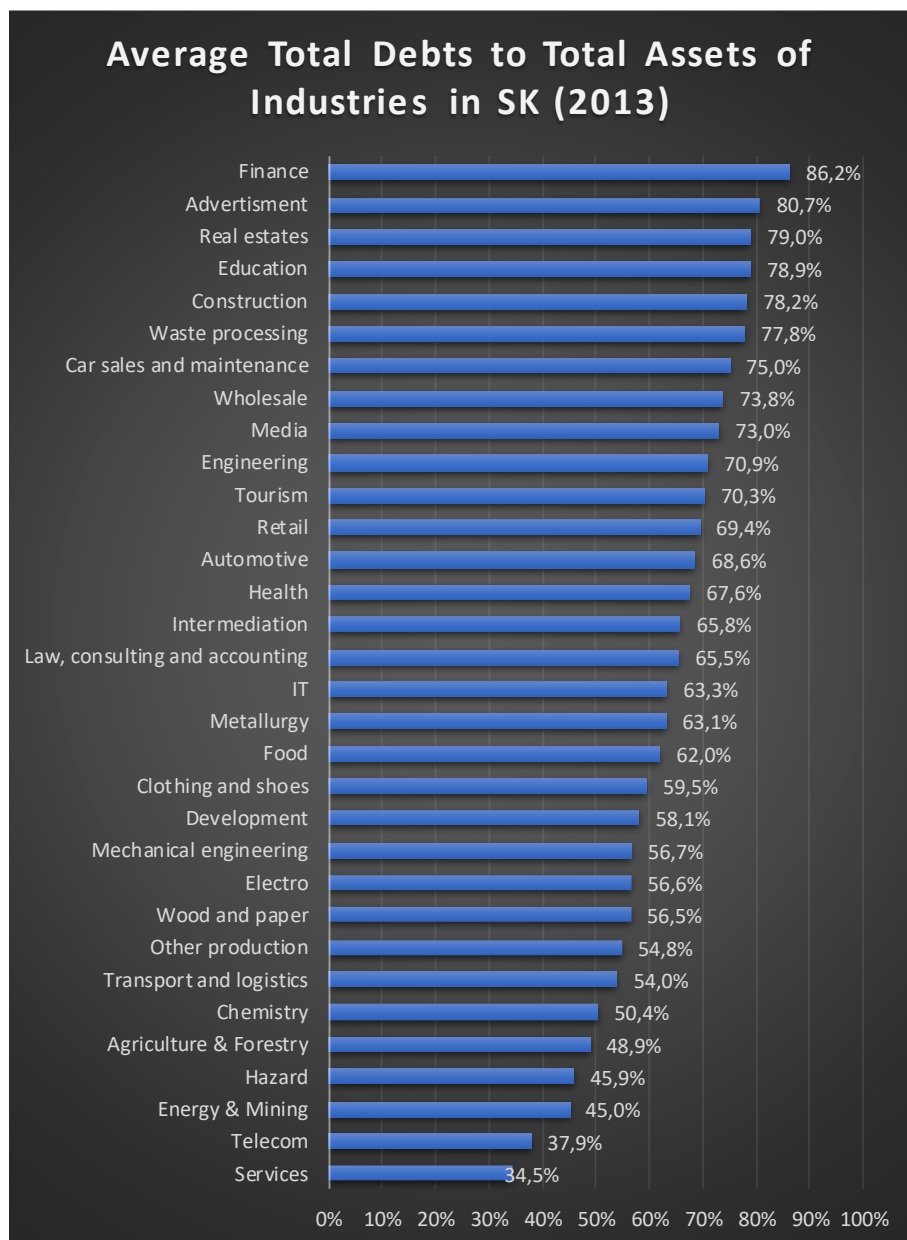
Share of external funds in total liabilities of SOEs in healthcare sector is significantly lower compared to the industry average or private companies average. SOEs utilize mostly invested capital of their state and municipal owners. Despite high debts, private healthcare providers proved strong ability to generate profits and to perform in a sustainable way.



Indebtedness of SOEs and private companies in transport and logistics sector significantly varies. However, the average values are close to the industry average with private companies having higher share of debt in total liabilities.

Source: Finstat (www.finstat.sk)

Based on data of finstat.sk portal, the average values for Total Debts to Total Assets of Industries in Slovakia in 2013 were as follows:

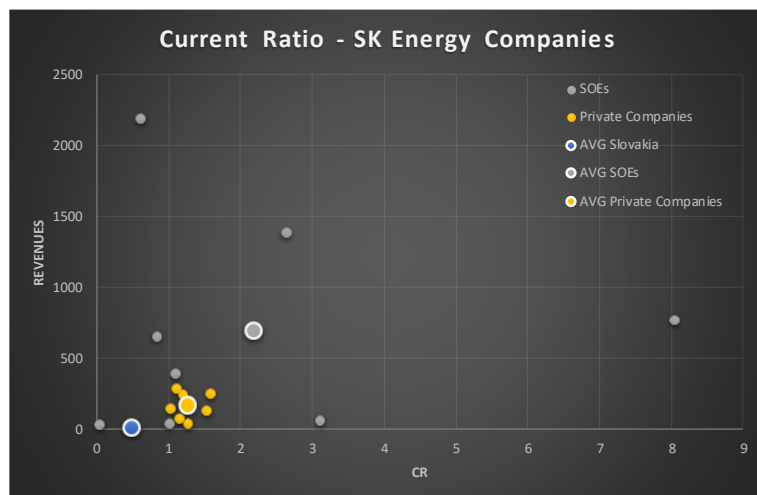


Source: Finstat (www.finstat.sk)

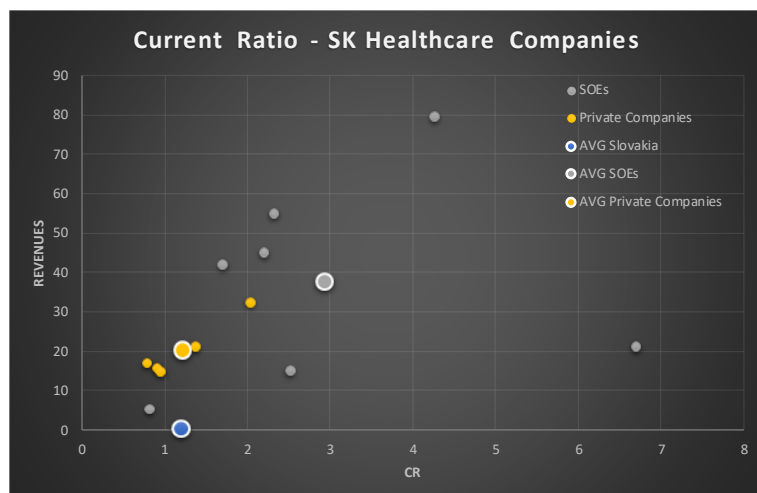
Current Ratio in selected companies in Slovakia

State's share	Company	Sector	Assets	Current Ratio			AV CR	IND AV CR
				2015	2016	2017		
100	Slovenský plynárenský priemysel, a.s.	Energy	3452.0	3.21	2.86	1.88	2.65	0,49
100	Slovenská elektrizačná prenosová sústava, a.s	Energy	937.1	1.21	0.98	1.11	1.10	
100	Transpetrol, a.s.	Energy	356.0	2.04	4.11	3.21	3.12	
51	Západoslovenská energetika, a.s.	Energy	1068.0	1.05	0.99	1.05	1.03	
51	Stredoslovenská energetika, a.s.	Energy	979.0	0.96	1	0.58	0.85	
51	Východoslovenská energetika Holding, a.s.	Energy	907.5	0.04	0.09	0.02	0.05	
51	eustream, a.s.	Energy	4761.0	3.58	9.61	10.98	8.06	
34	Slovenské elektrárne, a.s	Energy	9919.0	0.64	0.4	0.82	0.62	
privat	innogy Slovensko s. r. o.	Energy	44.7	1.1	1.08	1.21	1.13	
privat	VELEX ENERGO s.r.o.	Energy	12.4	1.17	1.21	1.1	1.16	
privat	ELGAS, k.s.	Energy	46.1	1.34	1.36	0.95	1.22	
privat	ČEZ Slovensko, s.r.o.	Energy	67.7	1.47	1.83	1.48	1.59	
privat	Pow-en a. s.	Energy	61.1	1.48	1.93	1.24	1.55	1,21
privat	MAGNA ENERGIA a.s.	Energy	28.8	1.09	1.01	1.02	1.04	
privat	SLOVINTEGRA ENERGY, a.s.	Energy	63.4	0.98	1.43	1.41	1.27	
100	Východoslovenský ústav srdcových a cievnych chorôb, a.s	Health	56.5	2.62	1.95	2.41	2.33	
100	Východoslovenský onkologický ústav, a.s.	Health	27.6	4.51	7.44	8.19	6.71	
100	Stredoslovenský ústav srdcových a cievnych chorôb, a.s.	Health	47.6	2.03	2.39	2.21	2.21	
100	Nemocnica Poprad, a.s.	Health	47.4	1.57	1.77	1.82	1.72	
100	Národný ústav srdcových a cievnych chorôb, a.s	Health	119	5.51	4.71	2.61	4.28	
100	Nemocnica svätého Michala, a.s	Health	90.9	2.02	0.78	4.79	2.53	
100	Letecká vojenská nemocnica, a.s.	Health	3.7	1.09	0.75	0.64	0.83	
privat	Nemocnica Košice-Šaca a.s. 1. súkromná nemocnica	Health	13	1.63	2.29	2.22	2.05	
privat	Nemocnica s poliklinikou Štefana Kukuru Michalovce, a.s.	Health	9.6	1.29	1.3	1.57	1.39	
privat	Nemocnica Zvolen a. s.	Health	4.8	0.6	0.89	0.9	0.80	1,11
privat	Nemocnica s poliklinikou Sv. Lukáša Galanta, a.s.	Health	15.8	0.86	0.69	1.18	0.91	
privat	Všeobecná nemocnica s poliklinikou Levoča, a.s.	Health	7.0	1.07	0.94	0.87	0.96	
100	Slovenská záručná a rozvojová banka, a.s.	Finance	553.2					
100	Exportno - importná banka Slovenskej republiky	Finance	363.7					
privat	Poštová banka, a.s	Finance	4310.8					
privat	Slovenská sporiteľňa, a.s.	Finance	16315.0					
privat	Všeobecná úverová banka, a.s.	Finance	14469.0					
100	Národná diaľničná spoločnosť, a.s	Trans. & Logistics	8943.0	0.39	2.05	1.19	1.21	
100	Železnice Slovenskej republiky	Trans. & Logistics	3486.0	0.67	0.71	0.52	0.63	
100	Železničná spoločnosť Cargo Slovakia, a.s.	Trans. & Logistics	336.3	0.41	0.4	0.44	0.42	
100	Železničná spoločnosť Slovensko, a.s.	Trans. & Logistics	984.9	0.33	0.42	0.55	0.43	
100	Letisko M.R. Štefánika - Airport Bratislava , a.s.	Trans. & Logistics	305.0	1.71	1.36	1.83	1.63	
100	Letisko Sliač, a.s.	Trans. & Logistics	3.1	2.46	2.65	2.72	2.61	
100	Slovenská pošta, a.s.	Trans. & Logistics	442.8	1.17	1.14	1.12	1.14	
98	Letisko Poprad - Tatry, a.s.	Trans. & Logistics	24.8	3.3	2.75	1.59	2.55	
34	Letisko Košice - Airport Košice , a.s.	Trans. & Logistics	54.5	14.9	17.25	18.9	17.02	
21	Letisko Piešťany , a.s.	Trans. & Logistics	22.1	0.32	0.13	0.15	0.20	
privat	BUDAMAR LOGISTICS, a.s.	Trans. & Logistics	97.6	2.4	1.79	2.4	2.20	1,10
privat	Railtrans International, a.s.	Trans. & Logistics	28.8	0.75	0.5	0.6	0.62	
privat	Slovak Lines, a.s.	Trans. & Logistics	56.9	0.51	4.94	4.89	3.45	
privat	ARRIVA NITRA a.s.	Trans. & Logistics	26.3	0.78	1.6	0.86	1.08	
privat	ARRIVA Nové Zámky, a.s.	Trans. & Logistics	25.4	0.49	1.19	0.81	0.83	
privat	Slovenská autobusová doprava Trenčín, a.s.	Trans. & Logistics	51.1	0.5	0.54	0.56	0.53	
privat	eurobus, a.s.	Trans. & Logistics	41.7	1.35	1.3	1.27	1.31	
privat	DHL Express (Slovakia), spol. s r. o.	Trans. & Logistics	15.7	1.16	1.18	1.19	1.18	
privat	GLS General Logistics Systems Slovakia s.r.o.	Trans. & Logistics	11.3	2.19	2.26	1.59	2.01	
privat	Slovak Parcel Service s.r.o.	Trans. & Logistics	28.3	0.87	1.05	1.06	0.99	
privat	Direct Parcel Distribution SK s.r.o.	Trans. & Logistics	12.6	2.34	2.49	2.05	2.29	
100	Automobilové opravovne Ministerstva vnútra SR, a.s	Car maintenance	18.2	2.08	1.64	1.87	1.86	4,40
privat	ARRIVA Slovakia a.s.	Car maintenance	39.2	0.55	0.64	0.61	0.60	
100	Jadrová a vyraďovacia spoločnosť, a. s.	Dangerous Waste	1464.0	39.63	47.84	38	41.82	4,40
privat	EBA, s.r.o.	Dangerous Waste	12.0	1.12	1.15	1.35	1.21	

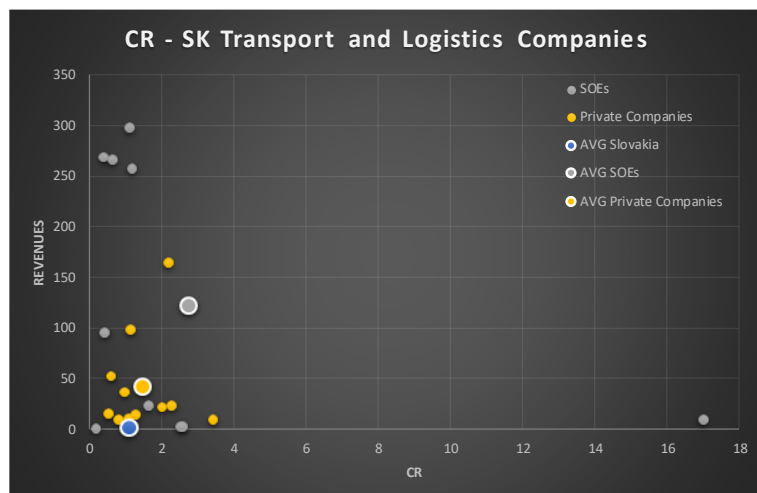
Source: Finstat (www.finstat.sk)



Current ratio of both SOEs and private companies is above the industry average. It refers to higher reliability for the companies to pay its current liabilities.



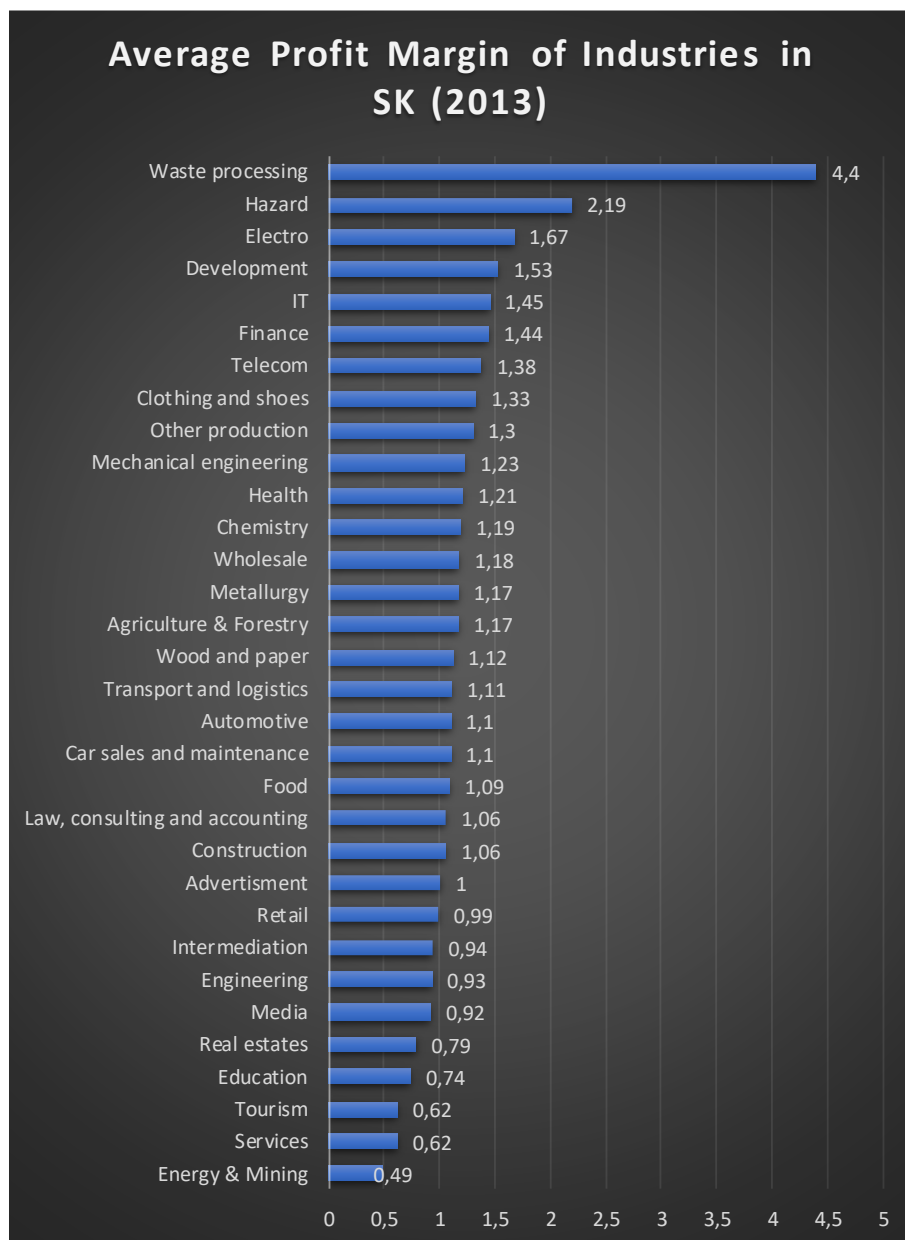
Current ratio of analyzed private companies is very close to the industry average while current ratio of SOEs is significantly higher. It may also imply that working capital of SOEs might be excessively high and inefficiently binds more capital.



Average current ratio of SOEs and private companies is almost the same with slightly better results for SOEs. Majority of companies is above the industry average. It means transport companies included in the analysis usually have higher financial reserve to cover current liabilities.

Source: Finstat (www.finstat.sk)

Based on data of finstat.sk portal, the average values for Current Ratio of Industries in Slovakia in 2013 were as follows:



Source: Finstat (www.finstat.sk)

Main observations:

1. Private companies over-perform SOEs almost in all analyzed areas and industry sectors (except for current ratio with dominance of SOEs). However, the average results of SOEs in selected indicators do not dramatically lag behind.
2. Private capital, and investors' expectations and pressure, along with professional management, lead to sound performance of private companies even in sectors with former dominance of state and which were considered less attractive for doing business (e.g. healthcare providers). Full or partial privatization might be appropriate way how to boost economic performance of weaker SOEs.
3. Competition significantly affect behavior of SOEs. Barriers to enter the market should be as low as possible in all relevant industry sectors.
4. Private companies are usually much smaller compared to SOEs in particular industries. Their financial performance shows that they are better in finding business opportunities and generating profit.
5. To maximize the efficiency of SOEs, basic principles of corporate governance must be introduced and respected in the company. Good corporate governance of SOEs is essential for efficient and open market. In many countries SOEs are the main providers of key public services, including public utilities. This means that their operations have an impact on citizens' everyday life and on the competitiveness of the rest of the economy². Implementation of good corporate governance in SOEs should be perceived as a priority by the government.

Robert Kičina
31 January 2018

² OECD Guidelines on Corporate Governance of State-Owned Enterprises, 2015.