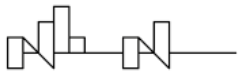


Iceland
Liechtenstein
Norway grants



```
import pandas as pd
import requests
import json
import time
from pandas.io.json_normalize
```



The Potential for Sustainable Biomass in the Romanian Energy Sector. A financial perspective.

Sorin Anagnoste
(September 2023)



Agenda

1. Introduction and trends
2. Profitability indicators
3. Liquidity indicators
4. Solvency indicators
5. Limitations of this financial analysis

1. Introduction and trends

NACE codes analyzed:

- NACE 1629 (Manufacture of other wooden products, manufacture of cork, straw and other woven plant materials)
- NACE 1610 (Sawmills and planning of wood).

Other NACE codes used for the total furniture industry:

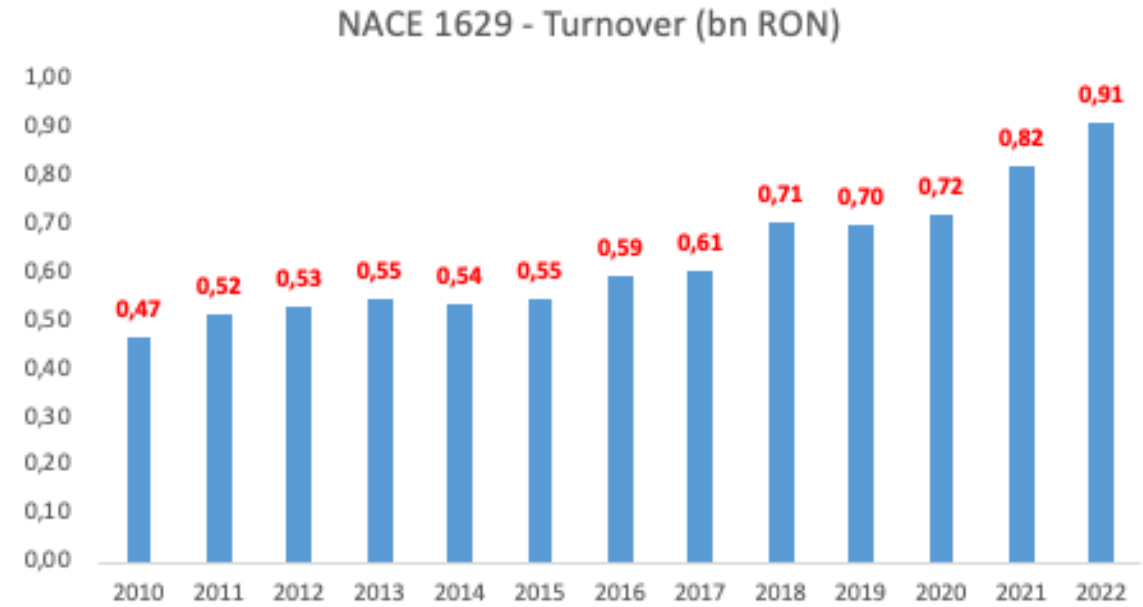
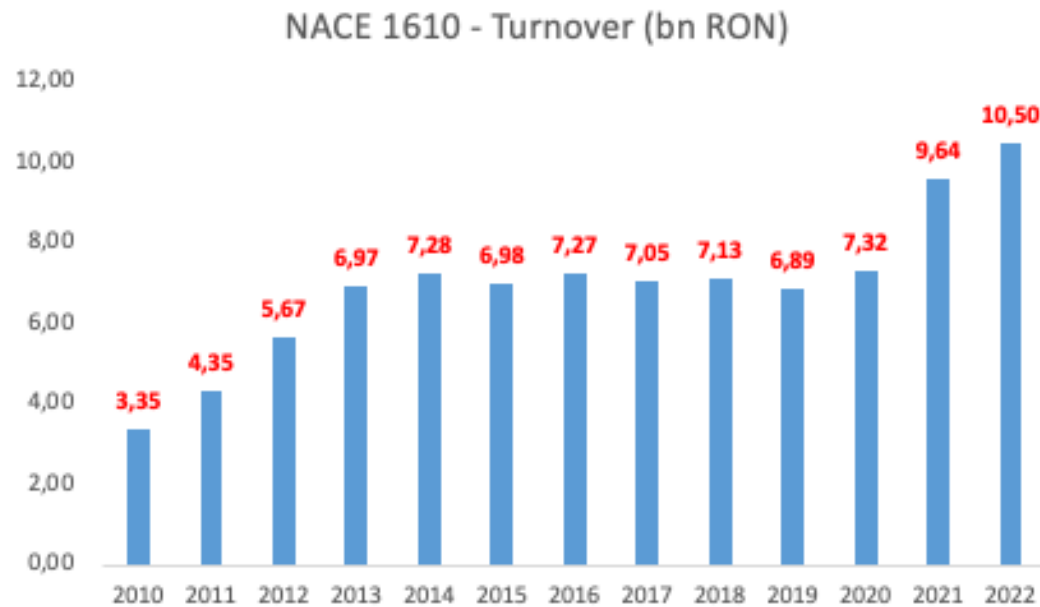
- 1621 Manufacture of veneer sheets and panels of wood
- 1624 Manufacture of wooden containers
- 3101 Manufacture of office and shop furniture
- 3102 Manufacture of kitchen furniture
- 3109 Manufacture of furniture n.e.c.

What was analyzed?

NACE codes analyzed:

- Financial – Indicators: 25 complete financial indicators computed for the previous 5 years
- Legend: formula and interpretation for each financial indicator used
- Trends: evolution of revenues and number of companies in the past decade
- Financials 2022-2021-2020 in short format publicly available at Ministry of Finance for all the companies active in the sectors
- Administrators & Shareholders: for the relevant companies generating cumulated +95% of the market share (Trade Register)
- Working Points: geographical distribution of all working points of evaluated companies, by location and setup moment

Revenues from wood harvest and timber processing increasing significantly in the past decade, due to both extensive exploitation and volatile prices



Source: Minister of Finance

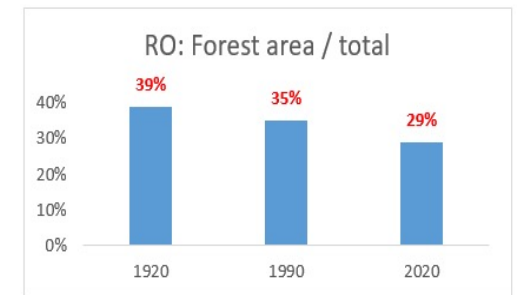
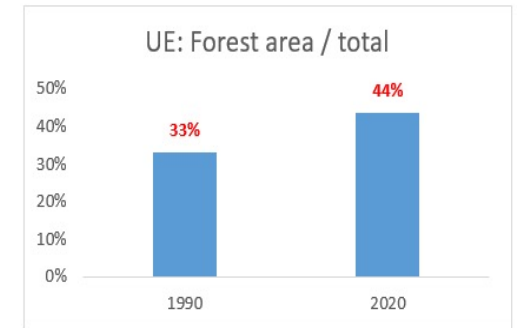
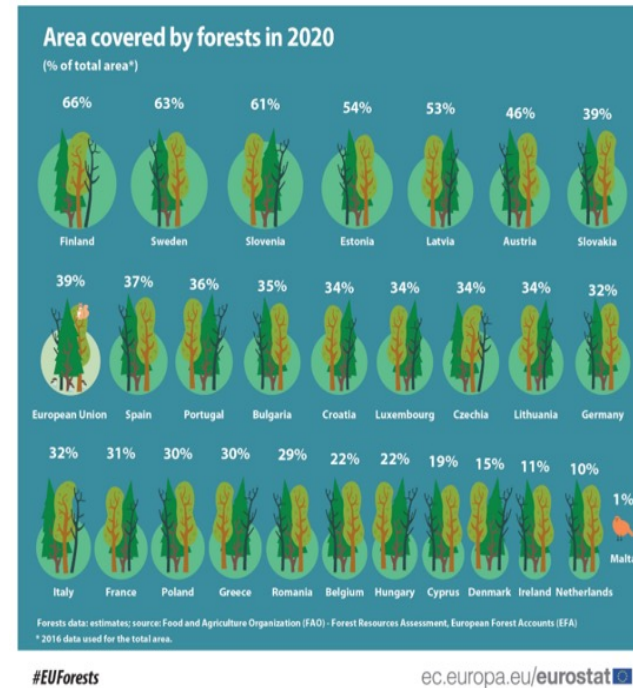
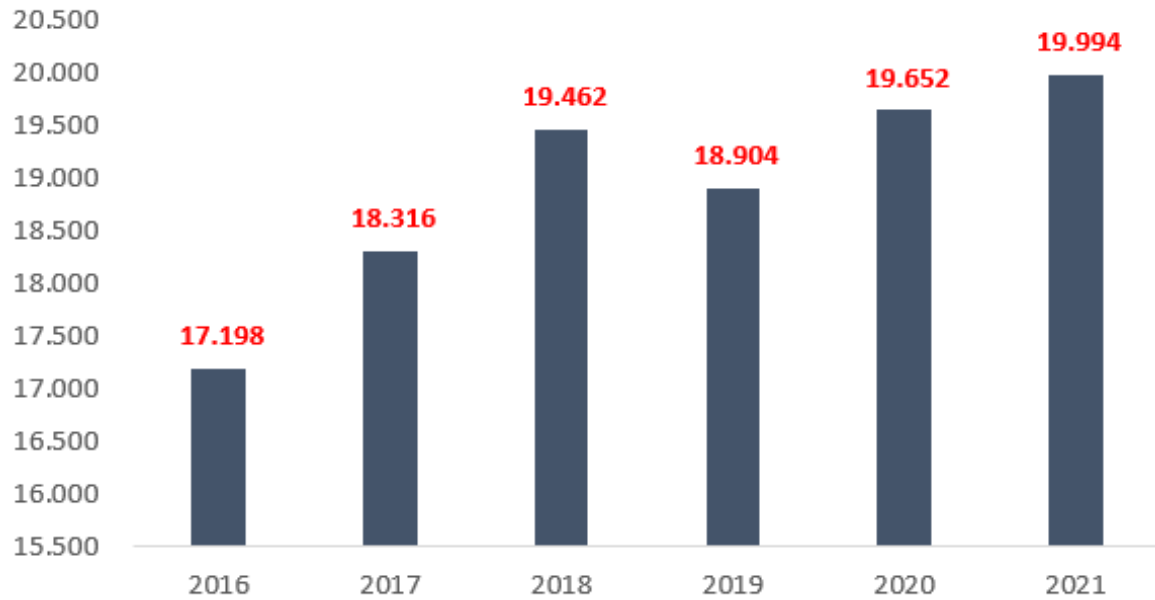
The Romanian furniture, sawmills and planing of wood industry at a glance

Sector	INDEX 22-2010	Delta (mil lei)	Turnover 2022 (mil lei)	TO RON 2010
Manufacture of wooden packaging	-11%	- 122	980	1.102
Manufacture of veneer and wood panels	38%	1.844	6.676	4.832
Manufacture of furniture	80%	4.727	10.615	5.888
Total furniture industry	98%	15.981	32.360	16.379
Intermediaries in the furniture trade	98%	384	776	392
Manufacture of office and shop furniture	178%	1.025	1.600	575
Sawmills and planing of wood	213%	7.152	10.504	3.352
Manufacture of other wooden products	450%	746	912	166
Manufacture of furniture for kitchens	1211%	899	973	74

Source: Minister of Finance

The volume of wood mass harvested in Romania constantly increased in the past years, from 17k m³ during 2016 to almost 20k m³ in 2021

Volume of wood mass harvested (m³)



Source: National Institute of Statistics , Eurostat

Both appraised sectors are very polarized from turnover distribution perspective. Almost 50% of the sector overall revenues are concentrated in top 10 players, as illustrated below

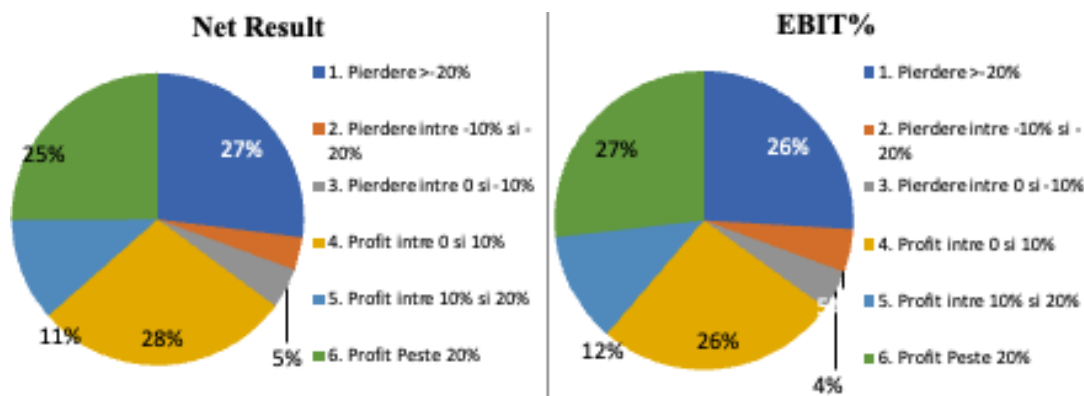
TOP 10 Companii (NACE 1629)			
No	Company name	Fiscal code	Turnover (2022)
1	SMART WOOD ROMANIA S.R.L.	21687048	198.916.983
2	CH INDUSTRIAL PROD S.R.L.	29228059	81.025.456
3	FRAICOM SRL	4903117	29.696.212
4	TREFOREX SRL	16035706	23.259.428
5	TECLEM PROD SRL	10807130	21.642.774
6	EURO SANGIFT SRL	21687048	20.660.392
7	COSECO WASTE S.R.L.	40460997	19.781.040
8	BIOBUILDS S.R.L.	30040678	19.281.357
9	UNIPROD MANAGEMENT SRL	18835659	18.108.147
10	LINS & WEINZIERL EXPORTPACKAGING S.R.L.	28272218	16.913.890
TOTAL Turnover (top 10 companies)			449
Top 10 % sector revenues			49%

TOP 10 Companii (NACE 1610)			
No	Company name	Fiscal code	Turnover (2022)
1	HS TIMBER PRODUCTIONS S.R.L.	14554103	2.159.412.708
2	HS TIMBER PRODUCTIONS RECI S.R.L.	35369656	1.186.158.023
3	KASTAMONU ROMANIA SA	1235668	868.575.473
4	BARLINEK ROMÂNIA SA	5444241	293.433.943
5	KARELIA - UPOFLOOR SRL	19062454	215.736.432
6	XILOBAIA SRL	14554103	137.714.050
7	R.G.HOLZ COMPANY SRL	12178568	115.030.112
8	SILVANIA INTERNATIONAL PROD SRL	6694408	101.349.520
9	VIRIX PROD SRL	6681637	88.510.480
10	DML INVEST SRL	23110878	76.236.254
TOTAL Turnover (top 10 companies)			5.242
Top 10 % sector revenues			50%

Source: Minister of Finance

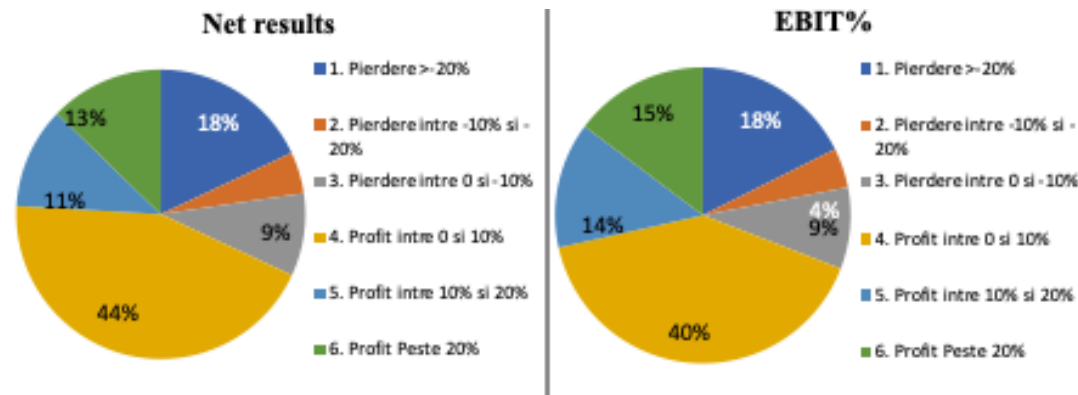
2. Profitability indicators.

Profit margins trend for NACE 1629



Profitability indicators	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
ROA (Return on Assets)	12,9%	15,9%	7,2%	8,5%	4,0%
OROA (Operating Return on Assets)	17,1%	20,7%	10,0%	11,2%	3,4%
ROE (Return on Equity)	34,1%	33,0%	29,0%	23,6%	18,0%
EAT (Earnings After Tax : Revenues)	12,1%	13,5%	9,0%	9,1%	4,6%
EBIT : Turnover (Operating Margin)	14,7%	15,5%	11,2%	11,1%	3,7%

Profit margins trend for NACE 1610

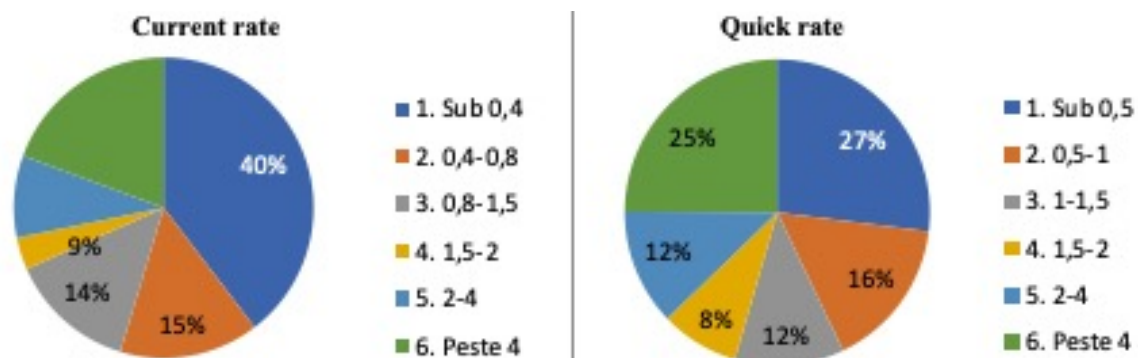


Profitability indicators	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
ROA (Return on Assets)	8,2%	9,2%	8,1%	2,9%	2,1%
OROA (Operating Return on Assets)	10,7%	12,4%	10,7%	4,8%	2,8%
ROE (Return on Equity)	16,1%	20,1%	15,6%	5,6%	5,1%
EAT (Earnings After Tax : Revenues)	6,0%	8,1%	7,8%	2,8%	2,2%
EBIT : Turnover (Operating Margin)	7,2%	9,8%	9,6%	4,4%	2,8%

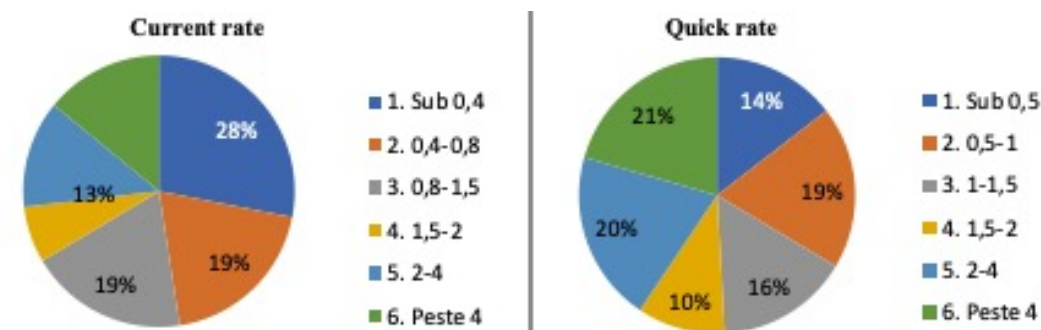
Source: Minister of Finance

3. Liquidity indicators

Working capital indicators for NACE 1629



Working capital indicators for NACE 1610



Working capital indicators	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
Current rate	1,58	1,69	1,04	1,28	1,06
Quick rate	0,82	1,06	0,59	0,73	0,57
Cash rate	0,22	0,35	0,21	0,18	0,11
Defensive interval ratio (DIR)	117	130	143	126	161
Cash convergence ratio (CCR)	107%	108%	112%	106%	155%

Working capital indicators	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
Current rate	1,85	1,78	1,61	1,64	1,28
Quick rate	0,98	1,02	0,96	0,85	0,65
Cash rate	0,23	0,32	0,22	0,17	0,11
Defensive interval ratio (DIR)	87	117	123	92	108
Cash convergence ratio (CCR)	99%	107%	113%	108%	120%

Source: Minister of Finance

4. Solvency indicators

Working capital indicators for NACE 1629

Solvency indicators - NACE 1629	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
Debt ratio (Debt : Assets)	55%	47%	69%	54%	72%
Short Term Debt : Total Debt	69%	74%	70%	77%	59%
Capex / Fixed Assets	41%	29%	15%	7%	10%
Depreciation rate	14%	14%	11%	13%	6%
Capex / Depreciation	304%	202%	137%	55%	160%

Working capital indicators for NACE 1610

Solvency indicators - NACE 1610	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
Debt ratio (Debt : Assets)	46%	51%	46%	45%	56%
Short Term Debt : Total Debt	68%	64%	68%	63%	70%
Capex / Fixed Assets	60%	15%	14%	7%	7%
Depreciation rate	19%	16%	12%	12%	10%
Capex / Depreciation	323%	95%	121%	59%	69%

Source: Minister of Finance

5. Limitations of the study

1

No information regarding energy producers from biomass or agricultural companies

3

Availability of historical financial data could be limited, especially for smaller or newer businesses within these NACE codes

2

Regional variations in economic conditions and market dynamics

4

Access to financial data for private companies, especially smaller enterprises, might be restricted

Thank you!

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