

IULIA-OANA BELCIC-STEFAN

UNIVERSITY OF CRAIOVA, ROMANIA

STUDY ON THE PROFITABILITY OF ROMANIAN COMPANIES LISTED ON BUCHAREST STOCK EXCHANGE*

Abstract:

Whether it is analyzed from a classical or modern perspective, corporate profitability evolution represents a benchmark for current and potential capital providers of companies. This study performs a comparative analysis of the evolution of profitability of Romanian companies listed on Bucharest Stock Exchange in a period fully affected by the manifestation of the global financial crisis, i.e. 2009-2013. Thus, there were selected 35 companies listed on BSE, which are representative for eight sectors of the Romanian economy, of the total 10 existing in the national capital market, i.e. Mining and quarrying, Manufacturing, Electricity, gas, and air conditioning supply, Constructions, Wholesale and retail trade, Transportation, Storage, Professional, scientific and technical activities. Thus, half of the sectors to which the analyzed companies belong to have not seen a dramatic drop in profitability in the period studied. However, a visible manifestation of the financial crisis took place in 2011 in the sectors of Electricity, gas, steam and air conditioning supply, Professional, scientific and technical activities and Constructions. By contrast to the first two of these, in the constructions sector, profitability evolves in increasingly negative over the next two years of analysis. At the same time, the sector that has consistently registered significant values of all profitability ratios, marking the most favorable evolution, is that of transportation.

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