



ACADEMIC YEAR 2013 – 2014

TITLE OF DIPLOMA THESIS:

Sustainability study of Greek construction enterprises

AUTHOR: Konstantina Koti

ABSTRACT

The present thesis examines the financial performance and business prospects of viability of the construction industry, during the economic downturn that Greece has faced since 2008. The aforementioned analysis is accomplished through the implementation of a bankruptcy prediction model. More specifically, the study is carried out among six of the largest Greek Construction Groups, for the decade 2004-2013. The groups are: ELLAKTOR, GEK TERNA, AEGEK, J&P AVAX, MICHANIKI and EDRAIS. The bankruptcy prediction model used is the well-known Altman's Z-Score one. The analysis is performed both through the examination of the financial ratios that comprise Altman's model, and through the results of the model itself. Before the conduction of the analysis, the profile of the construction industry in the decade 2004-2013 is described, as well as the reasons that have shaped this profile. Then, the main elements of the financial statements used in this work are analyzed, which are the balance sheet and the income statement of accounts based on the International Accounting Standards. Furthermore, the techniques that have developed over time to predict corporate failure are presented briefly. Moreover, through the conduction of statistical analysis, the relationship between the financial performance of construction enterprises and various macroeconomic and other factors is examined. Finally, general conclusions and proposals about facing the current situation are presented.

KEYWORDS

Bankruptcy prediction models, Construction enterprises, Correlation Analysis, Sustainability, Altman Z-Score.