



## **ACADEMIC YEAR 2015 – 2016**

### **TITLE OF DIPLOMA THESIS:**

Construction activity in Greece during the period 2004-2014: Evaluation of the construction companies listed in Athens Stock Exchange using investment ratios

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### **ABSTRACT**

The subject of the present study is to evaluate the performance of some of the biggest construction companies, included in the Athens Stock Exchange (ASE) list, using investment ratios. The research aims to study the extent to which, the events occurred during the period 2004-2014 (focusing on the 2008 financial crisis) as well as the subsequent modulation of investment behavior, affected the attractiveness of some of the most important developmental branches of the Greek construction industry. Initially, this study refers to the Greek construction activity and specifically to the overall contribution of the Greek economy as well as the factors influencing its course. Afterwards, reference is made regarding the Greek contracting enterprises for public works, their rankings in the respective registers, the capacity of the contractors' qualifications as well as their accounting and financial statements. Moreover, a detailed analysis is performed concerning the fundamental concepts of Athens Stock Exchange (ASE), the products being exchanged and the companies which are listed in the construction sector of ASE. Also, a description is made regarding the concept of financial analysis and particularly the analysis of financial statements using investment ratios. The methodological approach of the present study includes parameters such as the appropriate investment ratios, a specific period of time, the construction companies and the frequency of their financial reporting. The selected investment ratios which are commonly used and referred by authoritative websites and scientific journals are the following: price-earnings ratio (P/E), price to book ratio (P/B), price to sales ratio (P/S), earnings per share (EPS) and dividend yield equity (DY). The listed construction companies are selected by a specific criterion; having a construction certificate of 7th degree. The companies which fulfilled this parameter were J&P-AVAX S.A., INTRAKAT CONSTRUCTION S.A., GEK TERNA S.A., and ELLAKTOR S.A. As far as the period of time is concerned, the present survey concerns a crucial interval between 2004 and 2014, whereas the frequency of financial reporting is carried at annual base due to the aggregated provided information. At this point, it should be mentioned that the present survey deals with the calculation of the unweighted and weighted comparative performance of the construction companies being studied using specific investment ratios through the Promethee software (the evaluation of the investment ratios was made by the experts who participated in the current survey, by answering a questionnaire). Moreover, this study demonstrates the results and the relative conclusions regarding the research questions raised during the evaluation of the construction companies being studied. Specifically, it is concluded that during the period 2004 -2014, according to the investor confidence (related to their future development), leading companies are those which their



consolidated financial statements outweigh their corporate financial statements (ELLAKTOR S.A., GEK TERNA S.A.) whereas as far as the investment attractiveness is concerned (especially after 2008 financial crisis) leading companies are regarded those which their consolidated financial statements are approximate to their corporate financial statements (J&P-AVAX S.A.). Finally, the present study includes the restrictions taken into account as well as proposals for potential improvement by future researchers.

### **KEYWORDS**

Evaluation of construction companies, Investment attractiveness of construction companies, Investment ratios, Valuation ratios, Promethee software