

# Financial precondition for investing in renewable energy



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NEO-CARBON ENERGY 9TH RESEARCHERS' SEMINAR  
11.12.2017 LUT

# Objectives of the research



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- Find out if companies seem to have financial preconditions for investing renewable energy
  - Earnings, liquidity
- Find out the real acts (behavior) of the selected companies for investing renewable energy during last years (2010-)
- This research has just begun and the data collection is going on
  - The results will serve the follow-up project

# Criteria for selecting the companies

- High emission values (CDP; from Henri Mikkola)
- European companies (headquarters in Europe)
- Nordic countries versus rest of Europe
  - If possible
- 6 industries
  - Minimum 4 companies per industry
- In total 30 companies



# Selected companies



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Production of electricity	E.ON	Electricite de France	ENEL	ENGIE	Fortum	RWE	Vattenfall
Oil or Gas production	BP	Gazprom	Neste	Royal Dutch Shell	Statoil		
Automotive production	BMW	Daimler	Fiat Chrysler	PSA	Renault	Volkswagen	
Cement production	CRH	Cementir	Heidelberg-Cement	Lafarge-Holcim			
Pulp and Paper production	SCA	Stora Enso	UPM-Kymmene	Arkhangelsk Pulp and ...			
Steel & Aluminium prod.	Arcelor-Mittal	Norsk Hydro	Outokumpu	SSAB			

# About the data



- Financial values (M€) from Annual reports from 2010-2016
  - Net sales, Earnings (EBITDA, EBIT, Income before taxes), Liquid funds, Total equity, Total assets, ...
  - Total capital expenditure (investments)
  - More reliable data than in Financial statement databases
- Other data
  - Investments in renewable energy
  - Verbal expressions concerning the renewable energy in annual reports

# About the analyses

- Calculations in company (and industry) level:
  - Financial ratios: Profitability, Liquidity, Equity ratio, ...
  - Total emissions (metric tons CO<sub>2</sub>e) / Net Sales (M€)
    - Annual changes of previous
- Analyses of verbal expressions





**Thank you for your attention!**

**Questions and comments?**

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