FINANCIAL PERFORMANCE ANALYSIS OF THE ELECTRICAL INSTALLATION SECTOR IN ROMANIA: DYNAMICS, DETERMINANTS, AND IMPLICATIONS (2019–2024)

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Abstract

The electrical installation sector is a key part of the economy, playing a crucial role in the development of infrastructure, residential and industrial construction, as well as in the implementation of new energy technologies. The purpose of this article is to analyse the financial performance of a company in this industry over the 2019–2024 period and to compare it with the industry-wide averages, in order to highlight the company's competitive position and its level of economic efficiency. The research methodology is quantitative, based on the analysis of economic and financial indicators (turnover, net profit, ROA, ROE, ROS and labor productivity), calculated using data from the company's financial statements and sectoral analysis available on the Risco platform. The research results show a significant growth of the sector during the analysed period, with increases in turnover and profit, as well as improvements in profitability and productivity indicators. At the same time, the analysed company outperformed the sector average in most years. The main impact of the research lies in highlighting the development potential of the electrical installations sector and demonstrating that efficient resource management can lead to financial performance above the market average.

Keywords: *financial diagnosis, financial performance, rates of return, labour productivity, sectoral analysis.*

1. Introduction

The electrical installation sector plays an important role in the contemporary economy, directly contributing to the development of energy infrastructure and the implementation of projects in the field of residential, industrial and commercial construction. The evolution of this sector is influenced by trends in infrastructure investment, the modernization of energy systems, and growing demand for advanced technological solutions in the field of electrical installations. In this context, evaluating the financial performance of companies operating in this field is an essential tool for understanding their level of economic efficiency and their ability to adapt to market demands.

According to the specialized literature, financial performance analysis is the process of evaluating the economic and financial condition of a business entity, with the aim of identifying its level of profitability, efficiency, and financial stability. Profitability refers to a company's ability to generate profit by utilizing its factors of production and equity capital, regardless of their source. [1] Profitability is measured either in absolute terms, through profit (operating, gross, or net), or in relative terms, through a system of efficiency ratios, calculated as the report between the profit earned at the end of a year and the resources used to generate it (for example, average assets or average equity)[2]. These reports are known as return ratios and enable a comparative analysis of a company's performance both internally, over several consecutive years, and relative to the industry in which it operates.

This paper analyzes the financial performance of the electrical installation sector in Romania (CAEN code 4321) and the positioning of a representative company, AEG International Servicii SRL, relative to the sector average for the period 2019–2024. The main research question involves analyzing the evolution of the sector's

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[1] See Mihaela Sudacevschi, Viorica Ștefan-Duicu, Financial Performance Analysis of the Company through Profitability Ratios, in Challenges of the Knowledge Society Journal, 2024

[2] See Maria Grigore, Viorica Ștefan-Duicu, Managementul financiar al firmei, Nicolae Titulescu University Publishing House, Bucharest, 2025

economic and financial performance and determining the competitive position of the analyzed company relative to the market.

The research conducted is based on methods specific to economic and financial analysis, such as: analysis of financial indicators, comparative analysis between the company's performance and that of the sector, analysis of the evolution over time of key economic indicators, as well as SWOT analysis, to identify the strengths, weaknesses, opportunities, and threats that influence the company's financial performance. The data used in the analysis comes from the company's financial statements and from sector-specific information available in the Risco database.

The research hypothesis is that the company under analysis demonstrates financial performance that exceeds the average for the electrical installation sector, as reflected in high levels of revenue, net profit, labor productivity, and rates of return.

The research results highlight that AEG International Servicii SRL holds a favorable competitive position within the analyzed sector, recording values above the sector average in most years regarding the main economic and financial indicators. The comparative analysis demonstrated that the company's financial performance is the result of efficient resource utilization, adaptation to market dynamics, and a strategy focused on development and financial consolidation.

2. Analysis of the financial performance of the electrical installation sector (2019-2024)

To understand the general trends in the electrical installation sector and thus highlight the specific characteristics of a company operating under CAEN code 4321, in this section we have calculated and analyzed the trends of indicators such as: average revenue, average net profit, return on assets (ROA), return on equity (ROE), return on sales (ROS), and labor productivity. The sectoral analysis of the electrical installation sector is based on information available at www.risco.ro, and the values of the calculated indicators are summarized in Table 1.

Table 1. Profitability indicators of the Electrical Installation sector in the period 2019-2024

Current no.	Indicators	u.m.	2019	2020	2021	2022	2023	2024
1	Number of employees	-	37,575	38,780	40,158	43,107	45,762	44,809
2	Number of companies	-	6,940	7,369	7,897	8,632	8,848	8,121
3	Turnover	RON	8,697,706,283	9,465,198,727	10,617,400,098	14,370,996,994	19,628,118,498	20,094,776,706
4	Net profit	RON	857,623,261	1,028,629,995	1,128,534,308	1,657,284,393	2,702,737,555	2,410,977,461
5	Equity	RON	3,208,369,163	3,683,811,203	3,976,525,122	4,536,318,194	6,314,045,289	6,664,860,437
6	Liability	RON	4,514,482,842	4,821,313,942	5,539,094,969	7,127,867,591	8,402,317,665	8,941,248,413
7	Assets (5+6)	RON	7,722,852,005	8,505,125,145	9,515,620,091	11,664,185,785	14,716,362,954	15,606,108,850
8	Cifra de afaceri medie (3/2)	RON/company	1,253,272	1,284,462	1,344,485	1,664,851	2,218,368	2,474,421
9	Profit net mediu (4/2)	RON/company	123,577	139,589	142,907	191,993	305,463	296,882
10	Return on Assets (4/7)	%	11.11%	12.09%	11.86%	14.21%	18.37%	15.45%
11	Return on Equity (4/5)	%	26.73%	27.92%	28.38%	36.53%	42.81%	36.17%
12	Return on Sales (4/3)	%	9.86%	10.87%	10.63%	11.53%	13.77%	12.00%
13	Labor productivity (3/1)	RON/employee	231,476	244,074	264,391	333,380	428,917	448,454

Source: Authors processing based on data from www.risco.ro [accessed July 19 2025]

The number of companies and employees in the electrical installation sector grew steadily between 2019 and 2023, but in 2024, both indicators declined compared to 2023: by 8% the number of companies and by 2% the number of employees.

2.1. Dynamics of turnover and net profit of the electrical installation sector

The first half of the period under review was marked by the COVID-19 pandemic, which slowed the growth rate of total revenue in the electrical installation sector. In 2022 and 2023, there were sharp increases in sales volume, driven by rising demand for automation and smart electrical installation projects. The peak was reached in 2024, with this trend reflecting the sector's expansion—driven by growth in residential and industrial construction, electrical and energy infrastructure projects (including renewable energy), and investments in modern electrical technologies.

Compared to the average turnover, we observe the same upward trend for the period 2019–2024 (Chart 1). By 2024, the average revenue will have nearly doubled compared to that of the first year of the analysis.

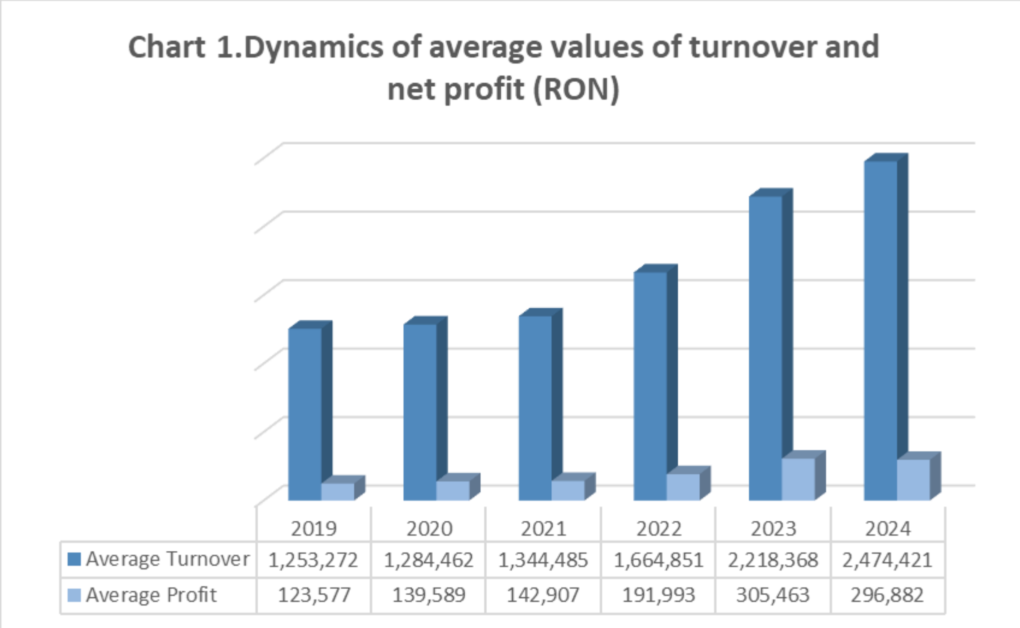


Chart 1.Dynamics of average values of turnover and net profit (RON)

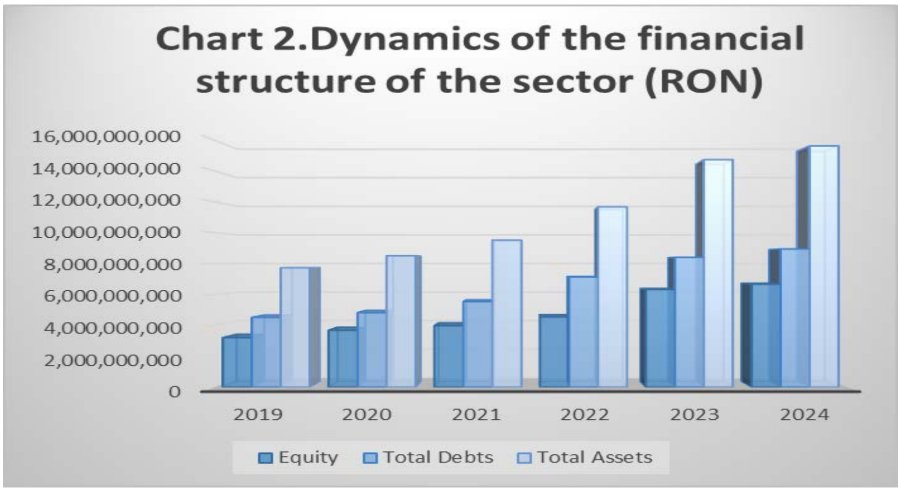
Source: Authors processing based on data from Table 1

Between 2019 and 2023, net profit grew faster than revenue, indicating an improvement in economic efficiency and profit margins. The year 2024 marked a deviation from this trend, with a decline in net profit, both in total value and on average, despite rising revenues.

In conclusion, between 2019 and 2024, the electrical installation sector experienced strong upward growth in both revenue and net profit. These results confirm the sector's consolidation, its ability to adapt to market demands, and the improvement in financial performance. The slight decline in profit in 2024 reflects future cost-related challenges but does not affect the overall positive trend.

2.2. Dynamics of the financial structure of the electrical installation sector

The increase in turnover and profit for companies in the electrical installation sector was due to the expansion of the operational capacity of firms in the industry. Their total assets grew every year during the period analyzed (Chart 2) as a result of investments made and an increase in the volume of business. The structure of the financing sources used by companies in the sector did not fluctuate significantly from one year to the next, with equity representing an average of 42% of total resources and debt 58%. Although the debt ratio rose slightly in 2022, to 61%, it has fallen to approximately 57% over the past two years, indicating an improvement in financial stability.



Source: Authors processing based on data from Table 1

Equity showed a positive trend throughout the entire period analyzed, reaching 6.66 billion RON in 2024, more than double the 2019 figure (3.21 billion RON). This growth signifies financial consolidation among firms in the sector, the reinvestment of profits by companies (confirmed by the positive trend in net profit), improved capitalization of firms, a higher degree of financial stability, and a reduction in dependence on external financing.

Alongside the strengthening of equity, the sector under review is also experiencing an increase in debt, driven by factors such as: a slowdown in the pace of collections or payment delays from certain customers (e.g., real estate developers, public institutions), increased investment aimed at expanding operations, and the unfavorable economic environment.

Total liabilities increased from RON 4.51 billion in 2019 to RON 8.94 billion in 2024. Although there was an increase in liabilities, this is proportional to the expansion of business. Liabilities grew at a slower pace than equity, which is a positive sign for potential investors.

The evolution of equity and debt between 2019 and 2024 reflects a balanced financial development of the electrical installation sector. Companies have strengthened their financial base by accumulating profits and increasing equity. Debt has increased, but at a sustainable pace, without posing a major risk of over-indebtedness. The financing structure remains stable, and companies' ability to sustain their investments is solid.

2.3. Evolution of profitability rates in the electrical installation sector

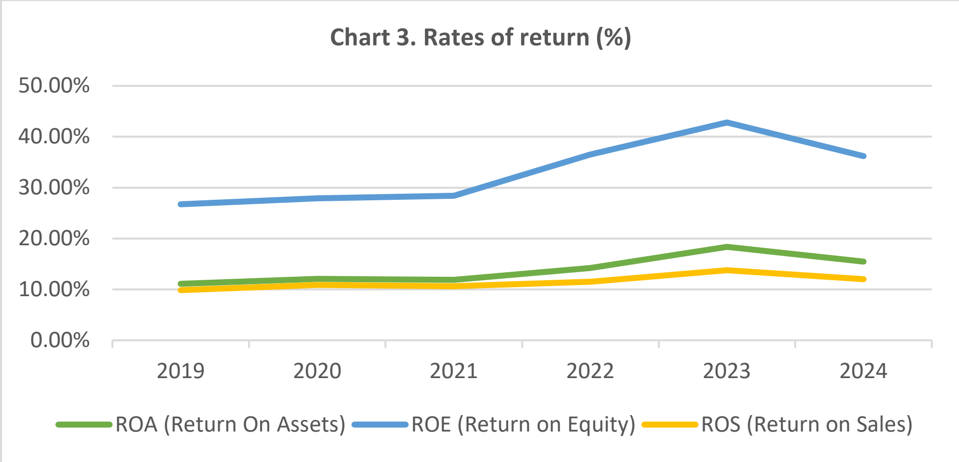
To measure the relative profitability of companies in the electrical installation sector, we calculated and analyzed the trends for three profitability ratios:

- Return on Asset (ROA) is a ratio that shows the results on the total assets used in the company.[3]
- Return on Equity (ROE) is the company's ability to generate profits with its own capital. [4]
- Return on sales (ROS), also known as net profit margin (NPM), is calculated by dividing net profit by net turnovers.

The lowest rates of return are recorded in the first three years analyzed (2019–2021), driven by the cumulative impact of the energy crisis and the COVID-19 pandemic. In the following two years, rates of return increase as a result of investments made in the development, digitization, and maintenance of the electrical infrastructure. The year 2024 marks a decline in all three rates of return compared to 2023, though they remain at a level comparable to that of 2022.

[3] See Bachtiar Asikin, Mohd Haizam Saudi, Roeshartono Roespinoedji, Influence of Return on Assets (ROA), Return on Equity (ROE), and Earning Per Share (EPS) of Stock Price (Survey on Corporate Advertising, Printing, and the Media listed on the Indonesia stock exchange Period 2015-2019), Solid State Technology, Volume: 63 Issue: 3, 2020

[4] See Putu Cindy Arintya Ardana, Henny Triyana Hasiubuan, Maria M. Ratna Sari, Ketut Alit Suardana, The Effect of Corporate Social Responsibility (CSR) on Profitability of Mining Companies Registered on the Indonesia Stock Exchange (IDX), International Journal of Management and Commerce Innovations, Vol. 8, Issue 1, April 2020 - September 2020



Source: Authors processing based on data from Table 1

Chart 3 shows a positive trend in ROA between 2019 and 2023, with a 7.26 percentage point increase in 2023 compared to 2019. This trend indicates an increase in return on assets, demonstrating that companies in the sector have become more efficient in using resources to generate profit. The peak is reached in 2023 (18.37%), resulting from previous investments that have begun to generate added value. The decline in ROA to 15.45% in 2024 indicates a decrease in profitability, due to an increase in assets (investments in progress) without a proportional increase in profit. However, the 2024 ROA remains higher than the values recorded in 2019–2023.

ROE follows a similar trend to that of ROA. Although it shows a positive trend throughout the 2019–2023 period, 2022 and 2023 stand out with a significant increase, indicating a rise in net profit, sound equity management, and efficient investments. In 2024, ROE falls to approximately the 2022 level (approx. 36%) as a result of a moderate decline in profit amid an increase in equity.

The significantly higher ROE values compared to ROA indicate a positive financial leverage effect, i.e., an efficient use of debt. The electrical installation sector has demonstrated high and consistent profitability, especially during the 2022–2023 period. An ROE above 35% is an excellent level in any industry, demonstrating a very strong ability to generate value for shareholders. This also supports the earlier observation regarding the growth in equity: companies are profitable and reinvest a large portion of their earnings in development.

Between 2019 and 2023, ROS maintained a positive trend, rising from 9.86% to 13.77%, which means that companies managed to increase their profitability from sales by expanding the volume of higher-margin projects. In 2024, a slight decline is visible compared to 2023 (to 12%) as a result of projects with lower profit margins.

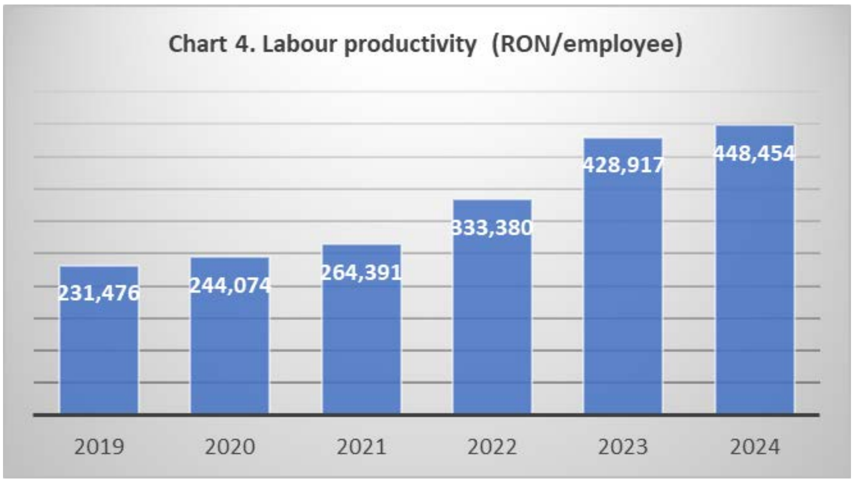
ROS remains at a solid and stable level, indicating sound financial management practices and an effective ability to convert revenue into profit. Its evolution also supports the positive trend previously observed in ROA and ROE.

The three ratios—ROS, ROA, and ROE—together form a complete picture, with ROS showing operational efficiency, ROA reflecting asset efficiency, and ROE measuring returns to shareholders. The results recorded between 2019 and 2024 suggest that the electrical installation sector is financially sound, companies in the sector are properly managed, and investments in assets have proven profitable.

2.4. Evolution of labour productivity in the electrical installation sector

According to the data presented in Table 1, the electrical installation sector as a whole recorded significant growth in both turnover and the number of firms and employees between 2019 and 2023. In 2024, there was a decline in the number of employees and the number of companies in the sector, accompanied by a decrease in net profit, though this did not affect the upward trend in turnover.

The number of employees increased by approximately 19% between 2019 and 2024 (from 37,575 to 44,809), while turnover nearly doubled. The moderate increase in the number of employees and the number of firms relative to the growth rate of profit and turnover indicates an increase in the sector's productivity and efficiency.



Source: Authors processing based on data from Table 1

As shown in Chart 4, labor productivity has increased every year, rising from 231,476 RON per employee in 2019 to 448,454 RON per employee in 2024. The factors that have led to increased efficiency in the work performed by employees in the sector are: the digitization and technological advancement of activities (automation, design software, high-performance equipment), the increase in the average value of projects, including more complex and better-paid works (e.g., smart installations, photovoltaic systems, etc.), and investments in professional training.

Labor productivity has seen sustained and healthy growth, serving as one of the most relevant indicators of the sector's maturity. This confirms that electrical installation work has not only expanded in volume but has also become more efficient.

3. Analysis of the financial performance of AEG INTERNATIONAL SERVICII SRL (2019–2024)

AEG INTERNAȚIONAL SERVICII SRL is a limited liability company whose primary business activity falls under CAEN code 4321: Electrical installation work.

Since its establishment 19 years ago, the company has carried out numerous design and installation projects for electrical distribution and power usage systems, undertaking projects for both new electrical installations and the modernization of existing ones.

The company is equipped with state-of-the-art technology at the European level and has a well-trained technical team consisting of experienced engineers, foremen, technicians, and electricians.

To compare the financial performance of AEG INTERNAȚIONAL SERVICII SRL with that of the industry, in Table 2 we calculated the same performance indicators as in Table 1 of Section 2.

Table 2. Profitability indicators of the company AEG International Servicii SRL in the period 2019-2024

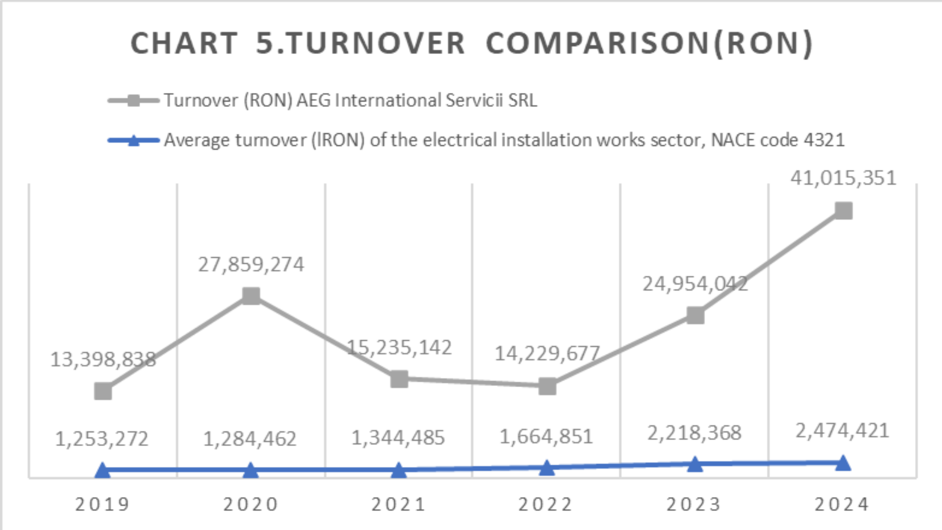
Current no.	Indicators	u.m.	2019	2020	2021	2022	2023	2024
1	Number of employees	-	43	47	48	47	47	54
2	Turnover	RON	13,398,838	27,859,274	15,235,142	14,229,677	24,954,042	41,015,351
3	Net profit	RON	1,218,970	663,175	1,553,472	713,053	1,251,607	5,969,406
4	Equity	RON	3,226,357	3,889,532	5,230,723	5,943,776	7,787,098	11,623,075
5	Liability	RON	5,116,076	4,032,873	4,268,140	5,329,193	6,244,544	9,680,557
6	Assets (4+5)	RON	8,342,433	7,922,405	9,498,863	11,272,969	14,031,642	21,303,632
7	Return on Assets (3/7)	%	14.61%	8.37%	16.35%	6.33%	8.92%	28.02%
8	Return on Equity (3/4)	%	37.78%	18.03%	29.70%	12.33%	22.14%	51.36%
9	Return on Sales (3/2)	%	9.10%	2.38%	10.20%	5.01%	5.02%	14.55%
10	Labor productivity (2/1)	RON/employee	311,601	592,751	317,399	302,759	530,937	759,544

Source: Authors processing based on information from the financial statements of AEG International Servicii SRL

3.1. The evolution of the turnover and net profit of the company AEG International Servicii SRL

To assess the position of AEG Internațional Servicii SRL relative to other companies in its industry, we compared the company's revenue and net profit, as reported in its financial statements, with the average revenue (Chart 5) and net profit (Chart 6) of the industry under review.

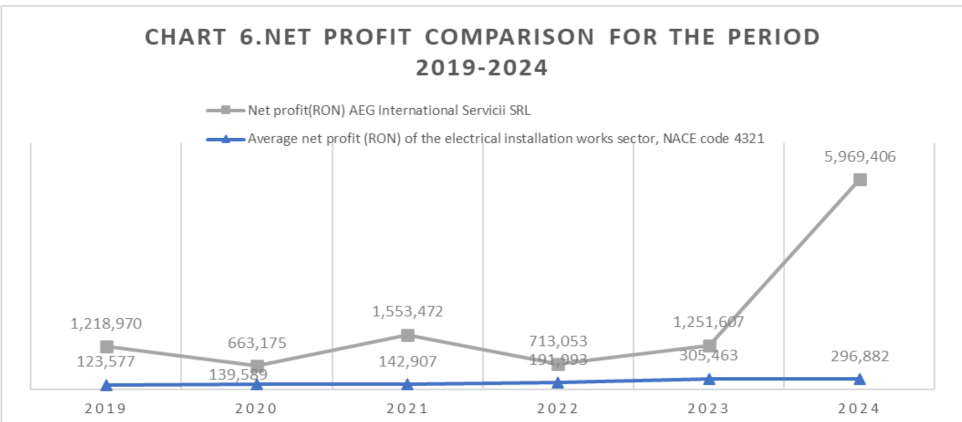
Figure 5 shows that in 2019, AEG International Servicii SRL reported revenue of 13,398,838 RON, a figure significantly higher than the average for the electrical installation sector (1,253,272 RON), representing more than ten times the sector average.



Source: Authors processing based on information from Table 1 and Table 2

In 2020, the company's revenue increased significantly, reaching 27,859,274 RON, while the sector average saw only a slight increase, to 1,284,462 RON. This trend widened the gap between the company's performance and the market average. In 2021, the company recorded a decline in revenue to 15,235,142 RON, while the sector continued to grow, reaching 1,344,485 RON. However, AEG International Servicii SRL remained at a level more than eleven times higher than the industry average. In 2022, the company's revenue declined slightly to RON 14,229,677, while the sector average saw a more pronounced increase, reaching RON 1,664,851, remaining significantly above the market average. In 2023, the company returned to an upward trend, achieving a turnover of 24,954,042 RON, compared to the sector average of 2,218,368 RON. In 2024, AEG International Servicii SRL reached the highest turnover level during the analyzed period, namely 41,015,351 RON, while the sector average reached 2,474,421 RON. The growth rate of turnover was considerably higher than that recorded at the sector level, highlighting a solid competitive position and growth above the market average.

Chart 6 shows that in 2019, AEG International Servicii SRL reported a net profit of 1,218,970 RON, nearly 10 times higher than the industry average (123,577 RON), clearly standing out above the average for companies in the CAEN 4321 sector.



Source: Authors processing based on information from Table 1 and Table 2

In 2020, the company's net profit fell to RON 663,175, but remained approximately 4.7 times higher than the sector average (RON 139,589), maintaining a superior position relative to other entities in the sector. In 2021, the company recorded significant growth, reaching RON 1,553,472—more than 10 times the sector average (RON 142,907)—thereby consolidating its competitive advantage. The company's net profit in 2022 decreased to 713,053 RON, but remained approximately 3.7 times higher than the sector average (191,993 RON). AEG International Servicii SRL achieved a net profit of RON 1,251,607 in 2023, approximately 4 times higher than the sector average (RON 305,463), remaining above the sector average in the context of a marked sector growth. In 2024, the sector's average profit fell to RON 296,882, while the company posted its best result for the period analyzed (RON 5,969,406).

3.2. The evolution of profitability and labour productivity at AEG International Servicii SRL

To compare the economic profitability of AEG Internațional Servicii SRL with that of the sector in which it operates, Table 3 presents the company's ROA values, determined based on its financial statements, and those of the sector, calculated in Section 2.

Table 3. ROA comparison for the period 2019-2024

YEARS \ ROA	AEG International Servicii SRL	Electrical installation sector, NACE code 4321
2019	14.61%	11.11%
2020	8.37%	12.09%
2021	16.35%	11.86%
2022	6.33%	14.21%
2023	8.92%	18.37%
2024	28.02%	15.45%

Source: Authors processing based on information from Table 1 and Table 2

The electrical installation sector recorded moderate growth in ROA between 2019 and 2023, followed by a slight decline in 2024. This fluctuation reflects market changes and economic factors affecting the entire sector, but the sector remains relatively stable compared to the company's performance.

In 2020, 2022, and 2023, AEG Internațional Servicii SRL's ROA values are lower than the sector's, while in the other years they are higher, with the differences increasing progressively from one year to the next. In 2020, the company's ROA decreased by approximately 6 percentage points compared to the previous year and was approximately 4 percentage points lower than the sector's ROA in 2020, due to pandemic-related restrictions that disrupted the company's operations. In 2021, the company recovers, doubling its ROA, but in 2022 it records the lowest ROA value of the period (6.33%) as a result of temporary adjustments in the contract portfolio. In 2024, AEG Internațional Servicii SRL reaches its highest ROA (28.02%), exceeding the sector average by 12.57 percentage points. The trend in 2024 indicates a stabilization of operations and a more efficient use of technical resources.

For AEG Internațional Servicii SRL, ROE follows the same trend as ROA, recording values lower than the industry average in 2020, 2022, and 2023, and higher in the other years (Table 4). However, in the case of ROE, the differences between the company and the sector are much larger (approx. 24 p.p. in 2022 and 21 p.p. in 2023), demonstrating lower financial leverage for AEG International Services SRL. With lower financial debt compared to the sector average, the company does not benefit as much from financial leverage. Even in years with ROE values higher than the sector average, financial leverage is lower for the company under review. This is most evident in 2021, when the favorable difference between the company and the sector is 4.49 percentage points for ROA and only 1.32 percentage points for ROE.

Table 4. ROE comparison for the period 2019-2024

ROE / YEARS	AEG International Servicii SRL	Electrical installation sector, NACE code 4321
2019	37.78%	26.73%
2020	18.03%	27.92%
2021	29.70%	28.38%
2022	12.33%	36.53%
2023	22.14%	42.81%
2024	51.36%	36.17%

Source: Authors processing based on information from Table 1 and Table 2.

As with ROA, in 2024 the company stands out with excellent profitability relative to equity. The ROE of 51.36% is the highest in the entire period analyzed and indicates an efficient use of the capital invested by shareholders.

If in the case of ROA and ROE AEG International Servicii SRL had values higher than the sector in 2019, 2021 and 2024, ROS is higher than the sector average only in 2024 (Table 5).

Table 5. ROS comparison for the period 2019-2024

ROS / YEARS	AEG International Servicii SRL	Electrical installation sector, NACE code 4321
2019	9.10%	9.86%
2020	2.38%	10.87%
2021	10.20%	10.63%
2022	5.01%	11.53%
2023	5.02%	13.77%
2024	14.55%	12.00%

Source: Authors processing based on information from Table 1 and Table 2.

For the entire sector, the ROS ranged from 9.86% in 2019 to 13.77% in 2023, with a slight decline in 2024, when it reached 12%. In contrast, AEG International Services SRL experienced volatile sales profitability, with a significant decline in 2020, when it reached a minimum for the period (2.38%), and a strong recovery in 2024, when it reached 14.55%. This substantial increase reflects an improvement in operational efficiency and an ability to generate higher profits relative to revenue.

The comparative results regarding labor productivity for AEG International Servicii SRL versus the average labor productivity for the electrical installation sector for the period 2019–2024 are presented in Table 6.

In 2019, the company's productivity (311,601 RON/employee) exceeded the industry average (231,476 RON/employee), indicating more efficient use of human resources from the very beginning of the period under review. In 2020, the gap widened significantly, with the company recording 592,751 RON/employee, compared to just 244,074 RON/employee at the sector level, demonstrating performance that was clearly superior to the market.

Table 6. Labor productivity comparison for the period 2019-2024

Labor productivity / YEARS	AEG International Servicii SRL	Electrical installation sector, NACE code 4321
2019	311,601 RON/ employee	231,476 RON/ employee
2020	592,751 RON/ employee	244,074 RON/ employee
2021	317,399 RON/ employee	264,391 RON/ employee
2022	302,759 RON/ employee	333,380 RON/ employee
2023	530,937 RON/ employee	428,917 RON/ employee
2024	759,544 RON/ employee	448,454 RON/ employee

Source: Authors processing based on information from Table 1 and Table 2.

In 2019, the company's productivity (311,601 RON/employee) exceeded the industry average (231,476 RON/employee), indicating more efficient use of human resources from the very beginning of the period under review. In 2020, the gap widened significantly, with the company recording 592,751 RON/employee, compared to just 244,074 RON/employee at the sector level, demonstrating performance that was clearly superior to the market. In 2021, although the company's productivity fell to 317,399 RON/employee, it remained above the sector average (264,391 RON/employee). However, in 2022, the company recorded a decline in labor productivity below the sector average of 333,380 RON/employee, marking the only year in which the company underperformed the sector average. Starting in 2023, AEG International Servicii SRL regained its competitive edge, reaching 530,937 RON/employee, above the sector average of 428,917 RON/employee. The positive trend continues in 2024, when the company's productivity reaches 759,544 RON/employee, significantly exceeding the sector average of 448,454 RON/employee.

Despite significant annual fluctuations, the company has recorded productivity levels above the sector average in most years, highlighting high efficiency in labor utilization and a solid competitive position within the electrical installation sector.

4. Conclusions

The analysis of the financial performance of AEG Internațional Servicii SRL covered the period from 2019 to 2024 and was based on data from the company's financial statements. To provide a better understanding of the company's financial performance, the conclusions of the analysis are summarized in the SWOT matrix in Table 7, which identifies the company's strengths and weaknesses relative to its industry, as well as the opportunities and threats.

The SWOT analysis highlights that AEG International Servicii SRL has a strong competitive position within the electrical installation sector. The company has high growth potential, but long-term success depends on maintaining financial stability and continuously adapting to market conditions.

An analysis of financial performance indicators for the 2019–2024 period highlights a positive trend for AEG International Servicii SRL, characterized by significant growth in revenue and net profit, particularly in 2024. Compared to the average for CAEN sector 4321, the company recorded higher productivity values in most years and, in the last year analyzed, considerably higher return rates (ROA, ROE, and ROS).

Although the 2020–2023 period was marked by fluctuations and temporary declines in performance, the company demonstrated a strong capacity for recovery and financial consolidation. The year 2024 represents the most successful year for AEG International Servicii SRL within the analyzed period, confirming the efficient use of assets, equity, and human resources.

Table 7. SWOT analysis of the profitability of AEG International Servicii SRL (2019 -2024)

Strengths	**Weaknesses**
• High revenue and net profit in 2024, well above the industry average • Return on assets (ROA), return on equity (ROE), and return on sales (ROS) above the industry average in 2024 • Labor productivity above the industry average in most years • Ability to recover quickly following periods of declining performance indicators	• Significant fluctuations in revenue and net profit between 2020 and 2023 • Sensitivity of performance indicators to fluctuations in activity volume • ROA and ROE values below the industry average in half of the years analyzed (2020, 2022, and 2023)
Opportunities	**Threats**
• Expanding the customer base • Increasing demand for electrical installation work • Investing in modern technologies to improve efficiency • Strengthening market position by reinvesting profits • Accessing public projects or European funding	• High competition in the electrical installation sector • Economic instability and fluctuations in the construction market • Rising material and labor costs • Adverse tax changes • Delays in collecting receivables

Source: Authors processing based on data from this paper

In conclusion, AEG International Servicii SRL presents a solid financial position, a good ability to adapt to changes in the economic environment, and favorable prospects for development in the medium and long term.

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