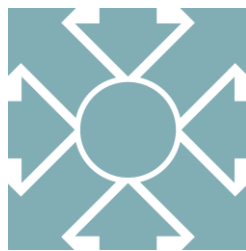


Alexander Hughes
Management Performance Survey
Key Figures with Comparative Figures

October 2016





We have named this latest edition of the Alexander Hughes Management Survey: **The Management Performance Survey** – a complete presentation of the performance by the approx. 1,600 biggest companies in Denmark based on Management Diversity, Continuity and Innovation. This edition also presents comparative figures from last year's survey.

In addition, the last part of this Survey also presents the performance of the **TOP 10** and the **BOTTOM 10** companies compared to the average company performance.

As usual, the Survey has been produced on the basis of figures reported to the Danish Business Authority by the companies themselves collected through the commercial databases, BiQ and Bisnode. Hence, the figures are 100 % factual.

Enjoy the reading!



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The overall figures

Approx. 1,100 of the 1,600 companies covered by the Survey, reported their turnover in their latest annual report (2015). The total **Turnover** for these companies was almost **DKK 3,200 bn** in 2015 (DKK 2,550 bn in 2014).

The total **Net Result** for all companies covered by the Survey was approx. **DKK 168 bn** (DKK 149 bn in 2014).

The total **Balance** for the companies covered by the Survey was **DKK 15,390 bn** (DKK 11,400 bn in 2014) and the **Equity** was **DKK 1,850 bn** (DKK 1,500 bn in 2014). In other words, the Survey presents the performance of a significant part of the total Danish industry.

Finally, the Survey also shows that well over 82 % of the companies made a profit and the remaining approx. 17 % of the companies made a loss in 2015. The corresponding figures for 2014 was 80 % and 20 %.

Executive Company Management

As in previous Surveys, we analyze and present company performance in terms of Executive and Non-Executive Management by diversity, continuity and innovation. In addition to this, we also analyze and present company performance by Business Sectors, Company Size and Geography.

Key Figures

To compare Company performance in terms of the composition of Executive and Non-Executive Management across Business Sectors, Company Size and geography, we do this by means of the commonly known and acknowledged key figures: ROIC (Return on Invested Capital), Profit Rate, Solvency and ROE (Return on Equity).

These figures are presented in the following format:

All Companies	% of all comp.		ROIC		Profit rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
All companies	100	100	6.7	7.5	4.1	4.6	34.8	33.4	8.5	11.3

On the following pages, we present the Key Figures in the above table format in three different categories: By CEO profile, by COB (Chairman of the Board) profile and by the profile of the full Board of Directors.

Following the above, we also present the key figures by Business Sector, by Company Size and by Geography.



CEOs:

Length of Service

CEO length of service	% of all comp.		ROIC		Profit rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
>1 yr - 1 yr	15	16	2.5	3.0	2.3	2.1	32.5	33.0	-7.6	1.4
+1 - 3 yrs	20	22	5.1	6.6	3.2	4.7	33.2	33.5	4.8	8.9
+3 - 5 yrs	16	15	6.1	5.7	4.5	5.0	31.6	33.4	13.4	3.4
+5 - 10 yrs	26	24	8.6	9.9	5.1	6.6	36.9	31.2	10.6	20.4
+10 - 15 yrs	12	12	8.6	9.2	4.1	5.6	35.7	30.9	15.3	16.6
+15 yrs	10	11	9.7	10.3	6.4	1.3	39.6	36.8	18.5	12.9
All Companies	100	100	6.7	7.5	4.1	4.6	34.8	33.4	8.5	11.3

Last year, the conclusion on the above table was: the longer the length of service of a CEO, the higher ROIC is achieved. This year's table shows a deviation in that pattern since CEOs with 1 to 3 years of service perform a higher ROIC than the one performed by CEOs with 3 to 5 years of service.

Obviously, a successful CEO will tend to remain in his/her position thus continuously perform better and better the longer the service. A non-successful CEO would obviously eventually be replaced depending of the patience and priorities of the Board of Directors, hence a shorter length of service.

As mentioned above there is a deviation in this year's figures since CEOs with 1 to 3 years of service perform better than CEOs with 3 to 5 years of service.

As always however, the purpose of this Survey is not to draw conclusions but simply to present the facts. Therefore, we will leave it entirely up to the reader to draw his/her own conclusions on the above.

Gender

CEO Gender	% of all comp.		ROIC		Profit rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Male	93	93	6.8	7.8	3.4	5.3	34.6	33.4	8.7	11.5
Female	7	7	5.2	4.0	0.5	-4.8	37.2	33.6	5.6	8.3
All	100	100	6.7	7.5	3.2	4.6	34.8	33.4	8.5	11.3

The above table shows that companies with a female CEO continuously perform the highest average Solvency Rate while companies with a male CEO continuously perform the highest average ROIC.

As it will show in a later section of this Survey the same applies for companies with a female respectively male Chairman of the Board.



Nationality

CEO Nationality	% of all comp.		ROIC		Profit rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Danish	92	93	6.9	7.6	3.3	4.5	34.9	32.9	9.6	11.9
Foreign	8	7	4.2	6.1	2.1	5.2	33.0	39.7	-3.1	3.3
All	100	100	6.7	7.5	3.2	4.6	34.8	33.4	8.5	11.3

Last year's Survey showed that companies with a Danish CEO performed better than foreign CEOs on all Key Figures.

This year the Survey shows that companies with a Danish CEO perform better on ROIC and ROE while foreign CEOs are the better performers on Profit Rate and Solvency Rate. Be aware however, that due to the relatively small number of foreign CEOs, the percentage figures should be considered with some reservation.

Exited CEOs

CEO	% of all comp.		ROIC		Profit rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Exited	13	14	1.8	4.1	4.0	3.0	33.5	33.1	-10.1	2.6
All	100	100	6.7	7.5	3.3	4.6	34.9	33.9	8.3	11.3

The above table shows that in 2014 the CEO exited/was exited in 188 companies of the total approx. 1,600 companies comprised by the Survey. This equals 13 % of the companies. In 2015, the corresponding figures were 223 companies equalling 14 %.

Companies with an exited CEO clearly show a significantly lower ROIC and ROE than the average for all companies. It is obvious to conclude that the weaker performance illustrated by these lower Key Figures is the main reason for the CEO exit.



Chairman of the Board (COB):

COB	% of all companies		ROIC		Profit Rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Length of Service:										
>1 yr - 1 yr	20	19	6.7	6.0	3.8	3.4	34.7	33.1	6.6	7.5
+1 - 3 yrs	29	30	4.8	6.4	2.8	4.6	33.5	35.2	4.3	15.1
+3 - 5 yrs	17	17	6.9	6.3	5.2	1.9	34.3	37.2	14.8	7.6
+5 - 10 yrs	21	22	8.9	9.0	4.8	5.7	34.9	28.4	9.9	11.3
+10 - 15 yrs	7	8	8.5	4.8	6.0	4.3	39.4	30.0	7.3	9.4
+15 yrs	6	4	8.0	8.3	4.7	5.8	39.2	38.3	10.5	11.3
Gender:										
Male	93	94	6.9	7.1	3.4	4.2	34.6	33.5	8.3	11.9
Female	7	6	6.6	6.9	1.1	3.5	39.9	43.1	7.6	5.0
Nationality										
Danish	72	70	7.0	7.4	3.0	5.3	34.1	32.8	9.4	11.5
Foreign	28	30	6.4	6.3	3.8	1.8	37.1	37.0	5.6	11.3
All Companies	100	100	6.8	7.0	3.2	4.2	34.9	34.1	8.3	11.5

Apart from one single factor, the above table like last year's survey shows, that there are no clear patterns or trends in company performance related to the COB nationality, gender og length of service.

For 2015 as well as for 2014 the single factor is the Solvency Rate in companies with a female COB. These companies perform a significantly higher Solvency Rate than companies with a male COB. In 2015, the difference is even bigger than it was in 2014 – 28 % respectively 15 %.



The Board of Directors

Diversity by nationality

Like last year's Survey, we also present company performance by the percentage of foreign members of the Board of Directors. The figures are shown in the table below:

% of foreigners in Board	% of all companies		ROIC		Profit Rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
0 %	58	59	6.5	7.5	2.2	4.7	32.9	32.3	9.5	10.7
1-25 %	10	10	7.4	8.0	5.3	6.2	40.1	41.8	10.7	14.2
26-50 %	15	14	7.7	7.1	6.4	6.5	37.8	36.3	6.5	10.4
51-75 %	11	12	7.4	5.8	2.5	-2.7	36.1	32.6	6.6	15.5
76-99 %	1	1	-1.2	3.1	3.7	5.8	36.2	54.0	-2.4	-5.2
100%	4	4	4.8	8.0	2.4	4.3	36.8	41.3	-0.7	6.7

Last year's Survey showed that the best performing companies by ROIC were companies with 25 to 50 % foreign Board members. The best performing companies by ROE were companies with up to 25 % foreign Board members.

This year's Survey shows that companies with 50 to 75 % foreign Board members are the best performing by ROE while companies with up to 25 % and companies with 100 % foreign Board members respectively are the best performing by ROIC.

Number of Board members

Number of Board members	% of all companies		ROIC		Profit Rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
1 - 2	1	1	3.5	-0.8	5.8	-9.2	42.0	20.1	11.8	5.9
3	25	25	8.0	9.0	2.9	5.0	31.6	30.3	12.6	16.1
4	14	15	6.7	6.1	3.8	4.8	33.3	30.9	8.1	1.9
5	22	21	7.4	7.9	3.4	5.5	36.9	37.7	9.3	12.9
6	16	15	7.3	7.4	5.1	5.5	38.4	37.6	7.6	9.5
7-9	17	17	4.9	6.5	2.8	1.8	36.1	38.2	4.4	14.1
+10	6	5	2.4	4.0	-2.0	4.0	30.8	34.0	-1.1	6.7

Companies with three Board members are the best performing by ROIC in this year's Survey as well as they were in last year's Survey. The same also applies by ROE.



The companies

Most people if not all would agree that the single most important factor for the success and performance of a company is the employees and in particular the executive management (the board of directors and the executive committee) who's responsibility it is to decide and execute the strategy for the company to achieve its goals.

Therefore – and because it is the core competence of Alexander Hughes Executive Search Consultants to assist companies in finding and attracting top talent for their Executive Management teams, this Survey so far has analyzed company performance based on the composition of the management teams focusing on diversity, seniority and innovation.

Obviously, it is also interesting to see how companies perform by business sector, by company size and by the geographical region, in which they are located. Regardless of the composition of Executive Management.

Below, company performance in terms of Key Figures will be presented based on the above categories:

Business sectors

Business Sectors	% of all comp.		ROIC		Profit rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Manufacturing, Raw materials, Agriculture and Forestry	37	36	8.3	8.8	5.6	5.6	39.7	39.3	11.2	10.0
Retail, Wholesale, Transportation, Distribution	29	27	4.1	5.8	3.3	3.7	32.1	33.0	-0.7	9.8
Proff. Services, Hotels, Restaurants, Media etc.	22	25	8.7	9.3	4.5	2.3	32.4	25.9	18.2	18.3
Finance and Real Estate	7	7	3.6	3.8	-1.3	7.5	26.4	30.3	4.3	12.1
Public Service, Utilities, Waste Mngt.	5	5	4.8	3.7	5.7	6.8	36.1	35.9	3.8	-8.9
All Companies	100	100	6.7	7.5	4.1	4.6	34.8	33.4	8.5	11.3

This year's Survey like last year's Survey shows that companies in the Professional Services Business Sector are the best performing in terms of ROIC and ROE.

Last year's Survey showed that companies within the Finance & Real Estate Business Sector had the weakest performance in terms of ROIC and ROE. The above table shows that this year the Public Services, Utilities etc. Business Sector is the weakest performing.



The Business Sector "Industry" continuously holds the largest number of companies representing almost 40 % of all companies in Denmark. These companies generate a ROIC above average while they generate a ROE slightly below average.

Companies by size

Company size	% of all comp.		ROIC		Profit rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
100-250	58	61	6.9	7.8	4.1	3.4	34.0	32.2	9.3	11.6
251-500	20	18	6.2	7.7	3.6	5.6	35.4	34.0	6.5	9.5
501-1000	11	11	5.4	5.3	2.4	3.8	35.4	36.4	7.9	10.3
1001-2500	7	6	7.1	8.1	5.0	7.4	36.5	37.6	12.6	15.4
2501-5000	2	2	5.5	6.8	6.7	8.3	23.6	31.3	4.6	18.7
+5001	2	2	9.4	7.9	11.3	7.5	36.6	37.7	8.1	2.5
All companies	100	100	6.7	7.5	4.1	4.6	34.8	33.4	8.5	11.3

Companies with 1001 to 2500 employees, perform the best ROIC at 8.1 %. Last year, the best performing companies were in the +5000 employees' category with an ROIC of 9.4 %.

This year's Survey shows that companies with 1001 to 2500 and companies with 2501 to 5000 employees by far perform the best ROE. Last year the best performing companies in terms of ROE were in the 1001 to 2500 employees' category.

Geography

Geography	% of all comp.		ROIC		Profit rate		Solvency		ROE	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Greater Cph	40	39	6.0	6.4	3.4	3.2	32.2	31.0	6.4	9.4
Zealand	10	11	6.1	8.8	2.2	6.4	40.2	39.5	8.5	6.9
Funen	7	7	4.7	7.1	5.1	4.9	34.3	35.0	-2.7	5.3
Sth. Jutland	20	21	7.8	7.9	4.7	4.8	35.7	37.2	10.9	9.6
Mid Jutland	15	15	7.9	8.8	5.9	6.2	35.6	29.1	14.3	21.3
Nth. Jutland	8	7	7.2	8.1	5.3	6.0	36.8	34.6	11.4	17.1
All companies	100	100	6.7	7.5	4.1	4.6	34.8	33.4	8.5	11.3

Distributed by geography, the picture in terms of performance by ROIC is quite different from last year. This year, companies in Zealand and Mid Jutland perform the best ROIC while the best ROE is performed by companies in Mid- and North Jutland.

The weakest ROIC is performed by companies in the Greater Copenhagen area which was also the case last year. This year companies in Funen perform the weakest ROE, which was also the case last year.



Average company performance compared to TOP10 and BOTTOM10

Company performance by CEO Length of Service

CEO Length of Service	% of all companies				ROIC		Profit Rate		Solvency		ROE	
	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10
>1 yr - 1 yr	9	16	29	35.9	3.0	-24.0	20.8	2.1	-17.8	43.4	33.0	10.2
+1 - 3 yrs	19	22	26	38.8	6.6	-14.6	37.5	4.7	-14.6	44.9	33.5	14.2
+3 - 5 yrs	15	15	18	31.1	5.7	-25.5	14.6	5.0	-13.9	48.9	33.4	17.1
+5 - 10 yrs	32	24	14	34.2	9.9	-22.8	17.8	6.6	-41.0	43.2	31.2	-74.7
+10 - 15 yrs	14	12	8	32.6	9.2	-7.5	14.3	5.6	-4.4	38.4	30.9	14.8
+15 yrs	11	11	5	34.2	10.3	-23.9	19.9	1.3	-151.0	47.6	36.8	33.8
All companies	100	100	100	35.8	7.5	-20.9	21.6	4.6	-25.0	45.0	33.4	2.3

Company performance by CEO Gender

CEO Gender	% of all companies				ROIC		Profit Rate		Solvency		ROE	
	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10
Male	91	93	87	36.4	7.8	-19.8	21.9	5.3	-17.8	45.4	33.4	0.6
Female	9	7	13	27.5	4.0	-27.5	14.9	-4.8	-66.1	37.6	33.6	13.1
All companies	100	100	100	35.8	7.5	-20.9	21.6	4.6	-25.0	45.0	33.4	2.3



Company performance by CEO nationality

CEO Nationality	% of all companies				ROIC			Profit Rate			Solvency			ROE			
	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10	2015	Bottom10
Danish	96	93	91	35.5	7.6	-21.1	21.7	4.5	-26.6	44.8	32.9	1.5	81.1	11.9	-97.5		
Foreign	4	7	9	37.2	6.1	-17.7	15.5	5.2	-12.7	44.4	39.7	9.3	55.8	3.3	-69.6		
All companies	100	100	100	35.8	7.5	-20.9	21.6	4.6	-25.0	45.0	33.4	2.3	80.5	11.3	-95.5		



Company performance by Chairman of the Board (COB) profile

COB	% of all companies		ROIC		Profit Rate		Solvency		ROE		
	Top10	2015	Bottom10	2015	Top10	2015	Bottom10	2015	Top10	2015	Bottom10
Length of Service:											
>1 yr - 1 yr	19	19	27	6.0	16.3	3.4	-12.9	33.1	123.2	7.5	-98.6
+1 - 3 yrs	27	30	28	6.4	20.4	4.6	-18.9	35.2	100.5	15.1	-68.7
+3 - 5 yrs	17	17	20	6.3	16.1	1.9	-56.2	37.2	59.3	7.6	-91.2
+5 - 10 yrs	27	22	16	9.0	18.6	5.7	-32.6	28.4	55.1	11.3	-100.1
+10 - 15 yrs	7	8	7	4.8	7.4	4.3	-17.0	30.0	25.6	9.4	-64.9
+15 yrs	4	4	1	8.3	15.5	5.8	-9.9	38.3	49.6	11.3	-103.8
Gender:											
Male	91	94	91	7.1	18.0	4.2	-27.9	33.5	83.2	11.9	-88.2
Female	9	6	9	6.9	14.5	3.5	-10.1	43.1	53.7	5.0	-78.5
Nationality:											
Danish	33	70	29	7.4	18.5	5.3	-22.0	32.8	78.0	11.5	-98.7
Foreign	67	30	71	6.3	16.3	1.8	-30.2	37.0	85.5	11.3	-71.5
All companies	100	100	100	7.0	17.7	4.2	-26.0	34.1	80.5	11.5	-87.4



Company performance by share of foreigners in the Board of Directors

% foreigners in Boards	% of all companies				ROIC				Profit Rate				Solvency				ROE			
	Top10		Bottom10		Top10		Bottom10		Top10		Bottom10		Top10		Bottom10		Top10		Bottom10	
	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010
0 %	3	56	59	52	34.4	7.5	-20.4	17.8	4.7	-21.0	44.7	32.3	32.3	79.6	10.7	-95.1				
1-25 %	11	11	10	11	34.1	8.0	-12.7	22.0	6.2	-14.8	48.7	41.8	41.8	52.3	14.2	-34.2				
26-50 %	15	14	14	14	31.7	7.1	-23.0	16.2	6.5	-13.6	48.0	36.3	36.3	51.3	10.4	-77.8				
51-75 %	15	12	12	18	38.4	5.8	-29.1	18.2	-2.7	-43.7	42.4	32.6	32.6	110.9	15.5	-69.6				
76-99 %	0	1	1	1	-	3.1	-24.8	-	5.8	-15.0	-	54.0	54.0	-	-5.2	-118.0				
100%	3	4	4	4	30.2	8.0	-9.9	13.4	4.3	-33.8	48.5	41.3	41.3	58.1	6.7	-123.8				

Company performance by number of members in the Board of Directors

Number of Board members	% of all companies				ROIC				Profit Rate				Solvency				ROE			
	Top10		Bottom10		Top10		Bottom10		Top10		Bottom10		Top10		Bottom10		Top10		Bottom10	
	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010	2015	2010
1 - 2	3	1	4	4	29.4	-0.8	-29.7	5.4	-9.2	-42.0	37.9	20.1	20.1	61.1	5.9	-54.5				
3	30	25	24	24	35.0	9.0	-18.3	16.6	5.0	-11.8	44.5	30.3	30.3	103.5	16.1	-95.7				
4	17	15	23	23	35.2	6.1	-24.2	18.8	4.8	-11.6	43.2	30.9	30.9	41.5	1.9	-95.4				
5	25	21	16	16	32.1	7.9	-26.8	15.6	5.5	-10.3	46.8	37.7	37.7	58.1	12.9	-80.3				
6	12	15	14	14	30.8	7.4	-20.4	17.2	5.5	-13.2	44.2	37.6	37.6	50.5	9.5	-96.1				
7-9	11	17	17	17	41.2	6.5	-16.5	24.1	1.8	-59.4	49.2	38.2	38.2	137.5	14.1	-59.1				
+10	3	5	3	3	37.2	4.0	-9.6	28.0	4.0	-40.5	51.4	34.0	34.0	44.0	6.7	-22.6				

Quoting, wholly or partly from this Survey only by prior agreement and with distinct source reference.



Company performance by Business Sector

Business Sector	% of all companies			ROIC			Profit Rate			Solvency			ROE		
	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10	Top10	2015	Bottom10
Manufacturing, Raw materials, Agriculture and Forestry	34	36	29	34.3	8.8	-15.6	20.0	5.6	-16.4	47.9	39.3	19.0	45.7	10.0	-86.5
Retail, Wholesale, Transportation, Distribution	19	27	32	35.3	5.8	-26.4	30.8	3.7	-19.9	44.2	33.0	-1.6	109.1	9.8	-108.3
Prof. Services, Hotels, Restaurants, Media etc.	39	25	28	36.6	9.3	-20.9	15.1	2.3	-44.9	41.4	25.9	-17.2	100.9	18.3	-91.2
Finance and Real Estate	4	7	3	35.3	3.8	-9.8	21.5	7.5	-35.1	56.6	30.3	15.1	52.4	12.1	-4.5
Public Service, Utilities, Waste Mngt.	4	5	9	37.7	3.7	-20.3	30.1	6.8	-15.5	43.6	35.9	17.5	55.8	-8.9	-110.6
All Companies	100	100	100	35.8	7.5	-20.9	21.6	4.6	-25.0	45.0	33.4	2.3	80.5	11.3	-95.5

Quoting, wholly or partly from this Survey only by prior agreement and with distinct source reference.

