THE ANALYSIS OF THE PERFORMANCE OF COMPANIES BASED ON THE ECONOMIC VALUE ADDED

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Abstract
The economic added value is a key indicator in the analysis of the performance of economic entities. The study of this concept is the result of assumptions and premises that represent the basis for formulating the main goals that we set to achieve. The central objective of the analysis is to demonstrate that the classical method of analysis based on economic added value is a perfectible one. To achieve this objective, the analysis was divided into several sub-objectives: a theoretical approach that had the aim of presenting the current state of knowledge in the field of the analysis based on economic added value, and an empirical approach. The empirical approach pursued to the analysis of a company from the Romanian energy sector based on the economic added value, and aimed to propose an alternative to the classical method of analysis based on economic added value.

Results of the analysis showed that the concept of economic added value is perfectible and adaptable to different informational needs of the stakeholders, but have raised some limitations that may be encountered when analyzing performance based on economic added value.

Key words: economic value added, economic performance, factorial analysis.

JEL Code: M40, M41

1. Introduction

The financial performance of the entities is a basic concept in a continuous dynamic. Moreover, each category of stakeholders has its own vision of the financial performance according to their own interests, but, in our opinion Economic Added Value is one of the indicators with high coverage power, so it can be used (in the classical form, or adapted to each category of stakeholders) by any stakeholder.

In this context, we consider that any research that aims the analysis of the economic added value is topical and raises interest to stakeholders.

Business performance management is a primary concern and evergreen to any theoretician or practitioner in the field of accounting. In our opinion, this axiom results from the stated purpose of each business, namely to obtain profit (basic indicator of performance).

In this context, we believe that Economic Added Value is one of the most suggestive indicators and represents a primary instrument of financial management. According to the idea submitted by Popa-Lala, I., and Anis, C.N. [14], EVA is part of a set of four basic indicators in the analysis of the performance of an entity, together with the return on investments (ROI), residual income and return on sales.

2. Research methodology

In terms of the research methods, the study started with the presentation of the concept of economic added value from the point of view of the authors that study it. In this sense we appealed to citations and presentations of points of view and comments based on them.

The study continues with a practical part in which, based on the data provided by OMV Petrom S.A. in the last years, we have demonstrated the usefulness of the calculation of the economic added value using total net profit instead of operating net profit.
To reach the proposed result, the main tool of analysis has been the factorial analysis of the dynamics of economic added value in the years 2014-2015. Basically, by factorial decomposing of the classical calculation method of the economic added value, it has been demonstrated that the analysis proposed in the study leads to a higher share of the total net profit in the dynamics of the economic added value than the share of the operating net profit.

In our opinion, this approach is a viable alternative to the classical evaluation of performance based on economic added value, bringing a fundamental informational surplus for decision makers.

3. Literature review

The usefulness of the concept of economic added value is recognized and used also in other fields. An example of this is provided by Rodgers, T., [15], which proposes borrowing the characteristics of economic added value from the economy and adapting them to quantify the performance of the high education system in the UK.

Established itself as a relatively recent method of analysis of business, it has proved its superior usefulness to other traditional methods of analysis. An example of this is provided by Sulger, R. M., [18], which highlights the superiority of the analysis based on EVA compared with analysis based on ROE (Return On Equity).

The analysis using the EVA indicator is part of the field of the analysis of entities based on Value Based Management (VBM), a concept whose usefulness is increasingly appreciated both by researchers in the field of accounting and practitioners (managers, investors, creditors, etc.).

Specialized studies [2] show that the implementation of the VBM is often initially influenced by external factors of the entity, after which it is used within the management of entities.

In analyzing the financial performance of an entity, the economic added value (EVA) is a benchmark and its importance is based on, in our opinion, one of the main goals of business, namely to create value for shareholders. In this perspective, EVA can be regarded as an appreciation in absolute measure of the return on capital (own and attracted) invested in an economic entity, this being determined as the difference between net operating profit and invested capital (1).

\[ EVA = PNE - CKI \]  (1)

where: -PNE - net operating profit;
-CKI - invested capital.

We subscribe to the idea that the application of models for analyzing business performance based on EVA is a way to increase performance. This is demonstrated also by Mittal, R. K., et. al., [11] in their study.

For a more detailed analysis of EVA we consider that the factorial analysis can be a useful example, and an example of influencing factors is provided by Burja, C., [4], showing how economic added value can be influenced by factors such as invested capital and investment lever (with detailing the invested capital and economic profitability).

A similar approach is presented by Tabără, N., and Vasiliu, A., [20], which show that 38.7% of the variation of EVA is due to the net operating result, shareholders’ equity, long-term liabilities and capital cost (the greatest influence). The study is based on a sample of 66 entities listed on the Bucharest Stock Exchange.

The basic idea of the value created by entities is that they are capable of generating wealth for shareholders when revenues exceed the cost of the capital employed in the business [13].

In other words, to validate growth of the value of a business or to create it, it is necessary that the return on invested capital is higher than the cost of that capital [8].

We note that by using operating net profit it is excluded the influence of the extraordinary and financial activity. In our opinion, this approach may bring some limitations regarding global assessment of the value of an entity. We believe that especially the financial result (to a greater extent), but also the extraordinary one are the elements that give the overall value of a business. Taking into account the fact that there are entities in which the share of financial assets is significant, we believe that the analysis based on EVA should take into account the global net result, rather than strictly the one related to operating activities. We support these aspects especially because if we take a look at the other indicator from the relation used to calculate EVA, we note that this does not exclude the capital directed towards the financial and extraordinary activity. Given these considerations, we consider appropriate the realization of a parallel analysis (by comparison) between the two approaches (the classic one and the one that includes the global result).
In our opinion, the main advantage of the EVA indicator is that in its calculation the cost of capital is taken into account, which means that including the risk associated with invested capital is taken into account (this shows that not only the operating risk is taken into consideration, as in assessing performance based on net operating result).

Also, we subscribe to the idea presented by Vasilescu, L. [22] which states that EVA is an indicator with high coverage power in terms of appreciation the value of a business and thus its financial performance. The same source points out that EVA is an indicator that may signal the long term evolution of a business, and it is also an easily understandable indicator by non-financial managers.

The importance and relevance of EVA indicator for analyzing a business is highlighted also by Bodeanu, A. [3], who shows that the variation of the price of the shares of an entity listed on the Stock Exchange is correlated with the evolution of EVA. Thus, the quoted source shows that a change of EVA with one percent from one period to another leads to a change of 0.013% of the shares price of the analyzed entities. Thus, it shows that in the variation of the shares price, the evolution of EVA has an influence of approximately 11%.

In this sense, but in a more detailed manner, we highlight the analysis made by Burja, V., and Burja, C., [5], who emphasize the dependence of EVA on factors such as the speed of rotation of various elements (fixed assets, necessary working capital, cash availability, invested capital, etc.). In our opinion, this kind of analysis (which shows that EVA is improved by the increase of the speed of rotation of the analyzed elements) should be a valuable source of information for management in order to make optimal decisions for resource allocation.

A full and accurate analysis of the EVA indicator must take into account the overall context in which the analyzed entity operates, and especially the purpose of the analysis. For example, when taking an investment decision in a particular portfolio, it should be considered that businesses with negative EVA are more likely to increase than businesses presenting a positive value of the indicator. This is demonstrated by Stoyu, I. Ivanov, et. al., (2014), which, within a range between 2004 and 2009 achieved better results with investments in portfolios with an unsatisfactory level of the indicator. Obviously, this approach is useful mainly for the investors, but however, applied and interpreted correctly, EVA can be a valuable source of information all categories of stakeholders.

However, literature shows that between various types of indicators used in the analysis of an entity, conflicting results can be generated: for example, in a study published by Tache, I. [21], it is shown that, on the same company, the indicators based on internal company data (including EVA) show a creation of value for shareholders, while other indicators (based on market value) show a destruction of value for shareholders.

Although there is no obvious connection, many bibliographical sources, refer to the dependence between EVA and cash flows. We believe that this approach, which aims the analysis of EVA based on cash flows is not necessarily relevant, taking into account the fact that an entity's revenue and expenditure are not always connected with encashments and payments. This aspect makes us subscribe to the idea presented by Ghiselli Ricci, R., and Magni, C., A., [7], which brings up the Cash Value Added indicator. This approach is strengthened also by Velez-Pareja, I., [24], who supports the idea of the analysis based on actual cash flows, thus taking into consideration the entity's ability to recover their initial investment committed.

Specialized studies [16] show that EVA is not necessarily the best indicator to appreciate the performance of the entities when used to predict future cash flows generated by securities holders. The quoted source shows that indicators such as the accounting result, describe in a more realistic way the return on the shares of the analyzed companies, in comparison with EVA.

Thus, in our opinion, EVA is not necessarily a perfect indicator, but is a perfectible one.

A negative, but very important aspect in the analysis of EVA is that, especially in the domestic economy, it may be distorted by the lack of immunity to the application of techniques of creative accounting [10]. Thus, the quoted source shows that the informational power of EVA is not substantially higher than the one of traditional indicators used in measuring performance and value of a business. This conclusion is obtained also by Mnasri, K., and Abaoub, E., [12] in their study.

In our opinion, perhaps the biggest drawback of the indicator EVA refers to the calculation of the cost of capital. This limitation of the method is underlined also by Tabără, M., [19], who concludes in his study the fact that the idea according to which tomorrow will be like yesterday is totally wrong. In reality, the economic environment in which any company operates is constantly the subject of changes, and the changes of the interest rates from one period (even short time) to another are common. This makes predictability very low, with similar consequences also for the cost of the capital employed in the business. Moreover, the quoted source shows that the influence of the cost of capital in the calculation of EVA is a rather high one.

Despite EVA is an indicator in which subjectivity plays an important role, with negative consequences on its informational value, we subscribe to the idea presented by Bhattacharyya, A.C., and Phani, B.V. [1], which states that EVA can be used also as a tool used by management to steer the work of the employees toward activities that contribute to value creation at the expense of destroying the value of the company. Moreover, other authors [23]
point out the fact that the analysis based on EVA is an instrument of financial management, that includes a wide range of methods, policies or procedures which coordinate the operations and business strategy of the entities.

Thus, the basic idea from which an increase of EVA results is the optimal use of skills and managerial actions that lead to an increase in the use with efficiency of the resources of an entity in order to generate superior results compared to those registered by competitors. Dumitrașcu, R. A. [6] identifies three main areas in which to be applied those skills: marketing, manufacturing and R & D.

Even if we must admit that there is some subjectivity in the use EVA as an analysis indicator, we subscribe to the idea presented by Ilic, M., [9] according to which, when adjustments are made for the best interests of different categories of stakeholders, the informational power of EVA is a high one.

In order to verify the manifestation of EVA and also in order to issue a personal approach regarding the analysis based on EVA, we conducted an empirical study using data supplied by OMV Petrom SA. The range of analysis covers the period 2011-2015.

4. Results and discussions

First of all, our analysis aimed to determine EVA based on the formula stated above (1) and also by using the total net profit instead of operating net profit and the issuance of own assessment regarding the identified differences.

Regarding the cost of the invested capital, it is the sum of two terms that express two common types of funding sources underlying the permanent capital formation, namely:

- equity, whose cost is represented, in our case, by the value of the dividends distributed to shareholders in the reference year;
- borrowed capital, whose cost is represented by the amount of the expenses with interest in the reference year.

The results are shown in Table. 1:

Table no. 1. Calculation of EVA based on the operating net profit and total net profit for the period 2011-2015

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EVA (PNE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-million lei</td>
<td>2742.24</td>
<td>1813.82</td>
<td>2351.25</td>
<td>1789.25</td>
<td>-900.7</td>
</tr>
<tr>
<td>EVA (PNT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-million lei</td>
<td>1299.47</td>
<td>1407.46</td>
<td>2711.79</td>
<td>652.2</td>
<td>-1031.39</td>
</tr>
</tbody>
</table>

Source: Author’s own processing

were: PNE – operating net profit
PNT – total net profit

The analysis of data from Table no. 1 shows that in each analyzed year there are significant differences between the two approaches. Moreover, the information submitted shows that there is only one year (2013) in which the influence of the financial and extraordinary result has been positive, but in the other years this type of results have had a negative impact on the entity's performance.

For observing a lot more easily the dynamics of EVA depending on the two approaches, in Figure no. 1 we transposed the data from Table no. 1:
From figure no. 1 we can easily see that the differences between the two approaches are quite significant. With the exception of 2015, when the differences are lower, in the other years we can see that the financial result (if we admit that the extraordinary result has a quite low share, according to the raw data that were the basis for processing) often has a major impact on the performance of an entity. In other words, our hypothesis according to which the analysis of EVA based on the total net profit is valid, this approach offering a more comprehensive and adequate information.

For a more detailed analysis of EVA as an instrument for assessing the performance, we believe that an appropriate method is the factorial analysis. In our opinion, in order to obtain the model represents the basis for the factorial analysis involves the following steps:

1. Reformulating net profit according to the following pattern:

\[
PN = \frac{PN}{CPR} \times \frac{CPR}{CPR + D} \times (CPR + D) \tag{2}
\]

were:
- \(PN\) – net profit;
- \(CPR\) – shareholders’ equity;
- \(D\) – total liabilities.

Thus, we can see that the first factor is nothing but the return on equity (ROE), the next factor is the rate of financial autonomy and the last factor is the invested capital invested (CI), or total liabilities. In other words, we can say that the net profit was split into three comprehensive economic dimensions: one that expresses performance, one which expresses the financial balance and one which expresses the size (value) of the business.

Regarding the other term (CKI), we believe that it can be decomposed as follows:

\[
CKI = CI \times CMPC \tag{3}
\]

were:
- \(CMPC\) – weighted average cost of the capital, calculated as a weighted average between the average interest rate (for expressing the cost of the borrowed capital borrowed) and dividend distribution rate (calculated by reporting to the shareholder’s equity and not to the net profit).

Thus, replacing the two formulas, (2) and (3), in the original formula for the calculation of EVA (1) we obtain the following relationship:
Removing the common factor CI from the relationship (4), we obtain:

\[ EVA = CI \left( \frac{PN}{CPR} \times \frac{CPR}{CI} - CMPC \right) \]  

If we aim to do an interpretation of the second factor from the relationship (5), we can observe that this could be reduced to the difference between the return on the invested capital, from which we deduct the rate of remuneration of this capital. In other words, we can say that this factor is nothing but a net return of the invested capital (RNCI). We appreciate that this rate of return should be positive in order to characterize a healthy state of the analyzed entity. A level above the average yields of the capital market is desirable, demonstrating that the entity has a high performance and making it attractive to potential investors. A negative level of the rate of return would draw a signal regarding the mismanagement of the available resources. A size like this would be acceptable only in exceptional situations, when the analyzed entities are passing through strong investment initiatives.

Based on these considerations, and in order to illustrate the influences brought by the factors from the relationship (5) in the dynamics of EVA in our study, below we present the results applied in the years 2014-2015. The raw data from which the study started are presented in Table no. 2.

Table no. 2. The level of the indicators of interest in 2014 and 2015

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year 2014</th>
<th>Year 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>EVA (PNE) (mil. lei)</td>
<td>1789.25</td>
<td>-900.7</td>
</tr>
<tr>
<td>EVA (PNT) (mil. lei)</td>
<td>652.2</td>
<td>-1031.39</td>
</tr>
<tr>
<td>PNE (mil. lei)</td>
<td>2974.2</td>
<td>-499.95</td>
</tr>
<tr>
<td>PNT (mil. lei)</td>
<td>1837.15</td>
<td>-630.64</td>
</tr>
<tr>
<td>CPR (mil. lei)</td>
<td>26315.63</td>
<td>25091.19</td>
</tr>
<tr>
<td>D (mil. lei)</td>
<td>16858.81</td>
<td>15803.22</td>
</tr>
<tr>
<td>CI (mil. lei)</td>
<td>43174.44</td>
<td>40894.41</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>550.54</td>
<td>400.75</td>
</tr>
<tr>
<td>Distributed dividends</td>
<td>634.41</td>
<td>0</td>
</tr>
<tr>
<td>CCP – cost of shareholder’s equity</td>
<td>2.41</td>
<td>0</td>
</tr>
<tr>
<td>CCÎ – cost of the borrowed capital</td>
<td>3.27</td>
<td>2.54</td>
</tr>
<tr>
<td>CMPC (%)</td>
<td>2.74</td>
<td>0.98</td>
</tr>
<tr>
<td>RNCI (PNE) (%)</td>
<td>4.14</td>
<td>-2.20</td>
</tr>
<tr>
<td>RNCI (PNT) (%)</td>
<td>1.51</td>
<td>-2.52</td>
</tr>
<tr>
<td>CKI (mil. lei)</td>
<td>1184.95</td>
<td>400.75</td>
</tr>
</tbody>
</table>

Source: Information provided by OMV Petrom SA and author’s own processing.

To see the differences between the approach based on operating net profit and the one based on total net profit, the analysis was carried out based on both approaches. Thus, the approach based on the operating net profit generated the following results:

1. Influence of the invested capital:

\[ \Delta EVA(PNE) (CI) = \Delta CI \times RNCI(PNE) = -94,49 \text{ mil. Lei} \]

2. Influence of the net return on the invested capital:

\[ \Delta EVA(PNE) (RNCI) = CI \times \Delta RNCI(PNE) = -2595,46 \text{ mil. Lei} \]

2.1. Influence of the weighted average cost of the capital:

\[ \Delta EVA(PNE) (CMPC) = -CI \times \Delta CMPC = 721,62 \text{ mil. Lei} \]
2.2. Influence of the return on shareholder’s equity (ROE):

\[ \Delta \text{EVA(PNE)}(\text{PNE}/\text{CPR}) = \text{CI}_1 \cdot \Delta \text{PNE}/\text{CPR} \cdot \frac{\text{CPR}_0}{\text{CI}_0} = -3313.79 \text{ mil. Lei} \]

2.3. Influence of the financial autonomy ratio:

\[ \Delta \text{EVA(PNE)}(\text{CPR}/\text{CI}) = \text{CI}_1 \cdot \frac{\text{PNE}_1}{\text{CPR}_1} \cdot \Delta \text{CPR} \cdot \frac{\text{CI}}{\text{CI}_0} = -3.29 \text{ mil. Lei} \]

The approach of EVA based on total net profit generated the following results:

1. Influence of the invested capital:

\[ \Delta \text{EVA(PNT)}(\text{CI}) = \Delta \text{CI} \cdot \text{RNCI(PNT)}_0 = -34.44 \text{ mil. Lei} \]

2. Influence of the net return on the invested capital:

\[ \Delta \text{EVA(PNT)}(\text{RNCI}) = \text{CI}_1 \cdot \Delta \text{RNCI(PNT)} = -1649.15 \text{ mil. Lei} \]

2.1. Influence of the weighted average cost of the capital:

\[ \Delta \text{EVA(PNT)}(\text{CMPC}) = -\text{CI}_1 \cdot \Delta \text{CMPC} = 721.62 \text{ mil. Lei} \]

2.2. Influence of the return on shareholder’s equity (ROE):

\[ \Delta \text{EVA(PNT)}(\text{PNT}/\text{CPR}) = \text{CI}_1 \cdot \Delta \text{PNT}/\text{CPR} \cdot \frac{\text{CPR}_0}{\text{CI}_0} = -2366.62 \text{ mil. Lei} \]

2.3. Influence of the financial autonomy ratio:

\[ \Delta \text{EVA(PNT)}(\text{CPR} / \text{CI}) = \text{CI}_1 \cdot \frac{\text{PNT}_1}{\text{CPR}_1} \cdot \Delta \text{CPR} \cdot \frac{\text{CI}}{\text{CI}_0} = -4.15 \text{ mil. Lei} \]

Summarizing, we can see that the influence of CI on the dynamics of EVA is, in both cases, a reduced one, while the influence of RNCI is significant. For a better observation of the obtained results, we suggest a representation as percentage of the factors of influence, which will allow us to realize a comparison between the analyzed factors. The results are shown in Table no. 3.

Table no. 3. The expression in percentage of the analyzed influencing factors on the dynamics of EVA

<table>
<thead>
<tr>
<th>Version of EVA</th>
<th>Influencing factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CI</td>
</tr>
<tr>
<td>EVA (PNE)</td>
<td>3.51</td>
</tr>
<tr>
<td>EVA (PNT)</td>
<td>2.05</td>
</tr>
</tbody>
</table>

Source: Author’s own processing

From Table no. 3 we can easily observe the exact verification of the premise that formed the basis of our analysis, namely that the large share of influence on the dynamics of EVA is given by the indicators that contain the net profit (whether it is the operating net profit or the total net profit). Thus, we note that from the main factors of influence (RNCI and CI), the largest share is, in both cases, taken by RNCI (+ 96.49% and + 97.95% of the total dynamics of EVA). Going further with the analysis and decomposing RNCI in three factors (CMPC, PN/CPR and CPR/CI), our premise is more powerfully confirmed by the fact that from these three factors, the biggest influence is
given, also in both analyzed cases, by the factor that incorporates net profit (PNE respectively PNT), namely PN/CPR(+ 123.19% respectively + 140.57%).

In conclusion, we can say that net profit is a crucial element that can influence the dynamics of EVA. Moreover, given the fact that the greatest influence on the dynamics of EVA is given by the return on shareholder’s equity (indicator devoted to measuring the financial performance of an entity), our analysis validates the premise that EVA is a genuine tool for appreciating performance.

Plotting the data from Table no. 3, we can easily see which of the two ways of calculating EVA has a higher informational power; representation is shown in Figure no. 2:

![Graphical representation of the influencing factors on the dynamics of EVA](image)

Thus, Figure no. 2 shows that for all three factors of influence with high share in the total dynamics of EVA, the impact is higher in the case in which EVA was calculated based on the total net profit. This only confirms our hypothesis according to which the total net profit, by having a wider area of coverage, is a more appropriate element that should be used in the analysis based on EVA.

Basically, expanding operating net result to the total net result (by incorporating the financial result and the extraordinary one) adds a plus of information for the interested users. Even if we can not admit that the impact of the extraordinary result on the total net result is perhaps insignificant, this is not available also for the impact of the financial result.

Moreover, even if we study the initial relationship for calculating EVA (1), in our opinion it should be a normality to calculate it based on the total net profit, given the fact that also the other element (CKI) is a term incorporating all three types of activities within the analyzed entity: operating, financing and extraordinary. In support of this assertion, it can be seen that the two elements of CKI, respectively distributed dividends and paid interest are not elements that belong exclusively to the operating activity.

The aspects presented and analyzed above and also the general knowledge that the economy is the science that studies the optimal way to allocate resources (within which are included the financial resources, whose management is reflected in the financial result), are elements that make us support the idea that this kind of approach of the EVA analysis (based on total net profit) is a more realistic and comprehensive representation of the performance of an entity.

We mainly emphasize the higher impact and importance of the financial result due to a higher weight of it in the total net result, compared to the extraordinary result. In this regard, we believe that there may be situations in which the operating activity can generate healthy profits, but due to an inadequate management of the financial resources, a weak total result may be achieved, or vice versa, a negative operating profit (or a very low one) can be
"improved" through proper management of the financial activity. In our opinion, a complex analysis, which aims to be realistic, must take into account these issues and incorporate them in the ways of calculation.

5. Conclusions and proposals

In our opinion, this study adds a valuable informational plus for most categories of stakeholders who can take decisions based on the complex and comprehensive information that are embedded in the concept of added economic value as a tool for performance analysis. Basically, except very specific categories of stakeholders (possibly only lenders who finance exclusively the financing activity, without being interested in other activities that are consuming resources and/or generating revenue), we believe that for the majority of stakeholders is more essential an overview of the entity, incorporating inclusive the financial result and the extraordinary one.

In this context, the analysis model and also the proposed factorial analysis demonstrated the higher usefulness compared to the classic approach.

However, when conducting an analysis based on EVA, we think that a high importance should be given to all the aspects that represent the base of the figures from which the calculation of EVA starts. The best example of this is the type of method of depreciation used or the policies regarding the establishment or reversal of provisions for risks and charges. These elements can have a significant influence on the profit. If we assume that there are no changes in methods from one financial year to another, these elements should not lead to misinterpretations based on EVA, but if an analysis is carried into space (between several companies operating in the same economic sector), it can lead to wrong conclusions. In these cases, before starting the analysis, we recommend to conduct some restatements that allow the analysis to begin from comparable information from the point of view of the way of obtaining them.

The results of this research show that EVA is a comprehensive tool for measuring the financial performance of entities. The proposed approach turned out to be validated in the presented case study and further expansion from the level of the analyzed entity to the entire energy sector (or even in other sectors or naturalization as an alternative to the classical analysis based on EVA) is a matter of validation and acceptance of it by the interested factors, but primarily by theorists and practitioners in the financial-accounting sphere of business. Thus, we believe that the proposed objectives at the beginning of the study were achieved, but we believe that theory and practice from the economic field of business should continuously improve the systems and methods of analysis used.

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