**Cover letter**

**Financial analysis of European energy companies**

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This paper aims at providing a financial analysis on key energy companies over the last decade, period 2008-2017. Over this period, European energy policy has let to rapid transformation of energy markets, challenging the profitability and viability of energy companies. The latter must prove flexible in their management, including diversification of their portfolio, proceeding on structural unbundling and extending their operations in new markets and regions. The aim of this paper is the evaluation of the profitability, financial and liquidity performances of key European energy companies. The focus of the analysis concerns profitability, liquidity, capital structure and operational performance. The analysis is carried out in a sample of key energy companies, considering also the geographical position of the companies.

For our analysis, energy sector was split in three segments; electricity, oil and gas and lastly, renewable energy. The first two segments comprised ten companies each. Unfortunately, the renewable energy segment comprised only one company, since no financial data was available for other candidates over the examined period. This had led us to reach conclusions based on the first two segments. When it was necessary and for informational purposes only, renewable sector financial data was indicatively presented.

As overall conclusions, the energy sector in Europe faced adverse conditions. Investment in such companies remains attractive. All companies seem to revive in year 2017 and return to pro-crisis levels. Electricity companies are a riskier choice, because of their exposure to debt. Oil and Gas companies constitute a safer investment choice. The indications from the renewable sector imply great potential. Many of the traditional energy companies invest either direct or indirectly via other business entities, in the sector. European energy policy lead energy companies to adjust business model portfolio, as the energy mix of the continent is gradually changing.