

Italy

Leading European recovery with quality and innovation

One of the first and hardest-hit by the pandemic in Europe, Italy's bounce back has also been one of the strongest on the continent. The European Commission recently forecast real GDP growth will hit 6.2% this year, up from 5% in earlier projections, and as the biggest single beneficiary of European Union recovery fund spending, green and digital investment is set to soar. Already a leader in advanced manufacturing, and a major European exporter, Italy is fast-emerging to become the EU's greatest economic success story.

The country benefits from its leadership: Mario Draghi, the former head of the European Central Bank, who became prime minister February 2021. Widely viewed as the savior of the eurozone during the 2011/12 crisis, Draghi's steady and competent leadership came at the exact right moment. Economic reforms to attract investment are a top priority according to the prime minister:

"The state's task is to use the levers of research and development spending, education and training, regulation, incentives and taxation. Some of [the reforms] concern problems that have been open for decades but should not be forgotten. These include the certainty of regulations and public investment plans, factors that limit investment both from Italians and foreigners."

Italy is the world's eighth largest economy, with GDP standing at \$1.85 trillion in 2020, and GDP per capita at \$31,360. The country's economic engines include its robust, export-driven manufacturing sector, a strong and internationalized financial services sector, and perhaps most importantly, an expansive economic recovery agenda.

Draghi has said he views the pandemic as an opportunity to use the EU's seven-year, €1.1 trillion recovery fund and budget to kick-start growth, improve productivity, and build up human capital. This is important because Italy is the largest single beneficiary of EU recovery fund spending, with €191.5 billion in grants and low-interest loans allocated until 2026. It's also welcome news for Antonio Marcegaglia, chairman and CEO of leading steel producer Marcegaglia, who argued that a wave of new economic growth will help the country play to its existing strengths:



"Italy is living an exceptional moment from the point of view of economic growth and international trust. And it remains an interesting country for many reasons: there is quality, professionalism, competence; it is very entrepreneurial and business oriented. It's not just fashion or more well-known industries. There are many that are less well known, but just as strong."

Even before the pandemic, Italy was punching above its weight. It is the second-largest manufacturing country in Europe, with the US International Trade Administration (ITA) reporting Italian producers are particularly strong in sectors including machine tools, fashion, food products, automotive, and pharmaceuticals. Producers in Italy benefit from the country's strong reputation: Made in Italy is synonymous with quality.

"Historically speaking, we're viewed as a great country all over the world. The 'Made in Italy' brand, which we export with fashion, with gastronomy and other Italian excellencies, is popular all over the world. As for business, many companies in Italy are key and fundamental to other European nations, and also in the US, because we provide the best quality products and raw materials they need," said Gianluca Roda, president of the RodaSteel Corp Group.

The attractiveness of the Made in Italy brand is evident in the country's recent export growth. According to the United Nations Conference on Trade and Development, merchandise exports rose jumped by more than 30% between 2005 and 2020, hitting \$496.1 billion last year despite exporters being hit hard by Covid-19. Recovery has been strong in 2021,

however, with manufacturing revenues soaring by 105% y-o-y in April 2021, marking the fifth consecutive month of growth in industrial production, and a return to pre-pandemic growth levels. This is likely owing to the fact that so many successful Italian manufacturers tend to be export-driven. It's certainly the case at multinational steel producer Intals, as managing director Marco Vedani recounted:

"Our main business was from the very beginning European, as the main clients for our products are located in Europe, due to logistic costs and efficiency. But we did not forget about the rest of the world. We are in a commodity business, and it is a global business. China was becoming a leader in this world, so we built a connection in China, Japan, the US, and South America to have a daily vision of what is going to happen in those parts."

Italian manufacturers also tend to invest more in advanced manufacturing activities, putting the country in an ideal position to capitalize on EU recovery spending, which prioritizes digital and green spending above all else. Sustainable investment forms a core part of the Italian national recovery plan - some 37% of spending, nearly €71 billion, will be allocated to measures that support climate objectives.

Luckily, green and sustainable thinking is a not a new concept for Italian businesses.

"What many people do not know is that the number of certified Italian companies is enormous. Companies are certified in health and safety, energy consumption, recycling - Italians recycle 95% of products," explained Marco Nocivelli, CEO of EPTA.

Some, including Iris Ceramica Group, are already well ahead of the curve in innovative and sustainable investment. The forward-thinking group is currently investing in a hydrogen-fueled manufacturing facility - a landmark moment for Italian manufacturing, according to group president Romano Minozzi:

"The cost of hydrogen is dropping compared to coal, or even to other fuels. The future is hydrogen. We are investing in the ceramic sector and we think it will be a step further in investing in green hydrogen. The plant will be commissioned by the end of 2022, and it will be one-of-a-kind."

Investors were already taking note of Italy's strengths before the pandemic: according to UNCTAD, Italy was among the world's top ten investor economies by foreign direct investment (FDI) stock in 2019, with FDI stocks surging from \$2 billion in 2015 to hit \$4 billion in 2019. For Vittorio Bertazzoni, CEO of high-

end appliance manufacturer SMEG, this is attributable to its highly-skilled and internationalized workforce, which has helped strengthen its brand and reputation:

"Our schools and education system encourage and help to produce first-rate entrepreneurs. The Italian economic system is one of the best in the world with valid and dynamic managers in all sectors all over the globe. If I were an international businessman investing in Italy, I would buy into something that is genuinely 'Made in Italy,' as this is our main strength."

Perhaps most significantly, the Italian people pulled together during the pandemic, and a spirit of unity continues to guide the country today. Economic growth is surging, FDI is set to rebound as new recovery fund opportunities arise, and Europe's powerhouse exporter is setting the right example with a detailed and comprehensive reform and spending plan. During a speech addressing the fall-out of the pandemic, Draghi himself prioritized cohesion and strength in numbers:

"Today, unity is not an option, unity is a duty. But it is a duty guided by what I am sure unites us all: the love for Italy. There has never been, in my long professional life, a moment of such intense emotion and such great responsibility."

Zanetti - Passion, perseverance, and tradition

Exports are an increasingly important mainstay of the Italian economy. The United Nations Conference on Trade and Development reports that merchandise exports jumped by 33% between 2005 and 2020 to end the year at \$496.1 billion, and they are set to continue rising sharply as global demand rebounds. Cheese producers in particular are set to benefit: Italian cheese exports have doubled over the past decade to average more than \$3 billion annually, leaving domestic leader Zanetti, the largest exporter of Grana Padano and Parmigiano Reggiano cheese, on the cusp of another major growth spurt.

Founded in 1900, Zanetti expanded across Italy between the 1920s and 1940s under the watchful leadership of its founder, Guido Zanetti. Over three generations the Zanetti family's passion, perseverance and tradition kept the company on a growth path during some truly difficult decades, and with the acquisition of a dairy plant in Marmirolo in 1946, the family began looking beyond Italy's borders. In the decades since, Zanetti has grown to become a leading Italian producer, all without losing its family values.

Zanetti produces top-quality, authentic cheeses including Grana Padano and Parmigiano Reggiano, in addition to trading and exporting Italian-made specialties including Buffalo Mozzarella, Mascarpone, Burrata, Provolone, Pecorino, as well as several regional specialties. Today the company operates nine branches and maturation sites across the Grana Padano and Parmigiano Reggiano regions. It also matures, packs, and markets, and



its state-of-the-art packing facilities are one of its distinctive strengths, giving it the capacity to service retailers and the food service industry worldwide.

Zanetti was one of the first Italian dairy companies to internationalize in 1948, when it launched exports to Europe and the US, and the products were a hit from the very beginning. A strong focus on investment in the region, 100% Italian local

milk suppliers, infrastructure and technology, and respect for both tradition and quality also helped, as Chairman and CEO Attilio Zanetti highlighted:

"My father and uncle carried on the tradition of our founder. The family is competent and passionate about the work, and we've taken the initiative to go around the world to offer our products and build up credibility, with the help of good distributors. We put our money back into our profits, we don't pay dividends, and we always reinvest in the company."

The company takes great pride in its care for the environment and love of its land, and thus has also been quick to embrace strong sustainability practices, obtaining a 100% renewable energy certification, drastically reducing the amount of water it uses in production, and re-using byproducts to reduce food waste.

Customers love Zanetti cheese, and its premium products remain in high demand around the world. As he looks to the future, Zanetti hopes to continue building on this success by expanding further into retail markets in the more than 90 countries where the company operates.

"We are dedicated to the continuous pursuit of quality, to strong relationships with our clients, and to the highest principles of sustainability. All these factors ensure that our consumers worldwide can appreciate the real taste and quality of Italian cheese, and ours even more so," he concluded.



Stevanato Group - Quality and Innovation

It's a good time to be involved in the pharmaceutical sector. In 2020, the global pharmaceutical industry was valued at almost \$1.3 trillion, according to market and consumer data company Statista.

Italian Stevanato Group, a leading global provider of drug containment, drug delivery and diagnostic solutions for the pharmaceutical, biotechnology and life science industries, is at the cutting edge of this. The company provides glass vials and syringes to an estimated 90% of currently marketed vaccine programs, and includes 41 of the top 50 pharmaceutical companies among its client base.

Stevanato invests in research and development, creating sophisticated products that have enabled pharmaceutical customers to outsource much of their glassware needs. "On top of this we have also added other competence, in relation to pen, auto-injectors and wearable technologies," says Franco Stevanato, executive chairman of the board. "Thanks to our scientific analytical sites, we are able to serve customers with an integrated approach, at each drug development stage, from the early phase through commercialization," he adds.

Stevanato Group was founded in 1949, producing glass bottles, and in the early 1970s the current chairman's grandfather had the great intuition to automate the production of primary packaging. "All the technology we have in our facilities all over the world today has been developed by Stevanato Group engineers. This is one of our strongest competitive advantages: we develop the technology," Stevanato says.

At the beginning, the company produced a few hundred pieces per day; today, Stevanato Group delivers annually 10 billion units among drug delivery systems, sterile and bulk glass containers, plastic diagnostic and medical components. In 1998, annual revenue was less than €20 million, by 2020 it had risen to €662 million, with annual double-digit growth over the last twenty years.

In July, Stevanato Group listed on the New York Stock Exchange, bringing in \$672 million at a valuation of \$6.3 billion.

"In 1949 we started the idea, in 1971 we decided to develop the technology, and from 1990 to today we grew with three main strategies: globalization, R&D, and sophisticated M&A," says Stevanato. "Today we're supplying most of the pharmaceutical industry worldwide, we have a strong presence in the biotech sector, and have a customer retention rate of approximately 97% worldwide."

Twenty years ago Stevanato Group decided to follow its pharmaceutical customers as they increasingly became global, moving to be in close proximity to its main clients. Today, the company has 16 plants across nine countries, with two more facilities underway - one in the USA under construction and one in China



Franco Stevanato
Executive Chairman - Stevanato Group

expected to be built. "Most of our production and employees are no longer in Italy, in Italy we have approximately 2,000 employees, but the group now has approximately 4,400 people all around the globe," says Stevanato. In October, the group began construction work on an estimated \$145 million facility in the United States, with the site expected to house production lines equipped with advanced process technologies to produce EZ-Fill syringes and vials, and to be operational by 2023.

Stevanato Group now has a pipeline over 1,100 different projects and molecules that it's working on with its customers, developing customized, tailor-made products with particular coatings, tolerance, strengths and sophistications. The company re-invests most of its profits in order to further develop innovative solutions for the market.

It also hasn't been averse to acquiring expertise. Over the last decade Stevanato Group has acquired two Danish companies specializing in inspection systems and assembly solutions for sophisticated products in the pharmaceutical industry, as well as a company specializing in plastic injection molding, with plants in both Germany and California, given the pharmaceutical industry's increasing use of plastics for some products.

Stevanato says they are transitioning from

bulk to high-value pre-sterilized containment solutions. "We're proactively investing in capacity worldwide in order to be able to serve our customers once the pre-product goes from pre-clinical to industrial," he says. "There is a clear trend in the pharmaceutical industry to focus on the development of the drugs and look for proactive partners that take care of the full solution system, which is exactly what we want to do," he adds.

The recent IPOs should help the group to further invest in innovation and growth. "To be listed is a great advantage for Stevanato Group as it's giving us more discipline, building a strong governance, all aligned with the same interests," says Stevanato. "We're in a very good moment. We're here for the long term. We have a clear sense of responsibility, there's a big opportunity right now, and it's up to us to capture these opportunities."

When it comes to Italy, he adds that the country has a huge network of mid-sized companies. "What is important is to allow these companies to think bigger. There are a lot of opportunities, but it's up to us to invest and not to be afraid to become big. There is a huge opportunity in Italy for this network, but we have to be brave."



Comer Industries

Helping to power the future of agriculture and industry

Italy is looking forward to a period of sustained economic growth. Last month, the country's prime minister, Mario Draghi, said that the domestic economy was now on track to grow by 6% in 2021, up from the previous estimate of 4.5%, adding that there was now confidence in Italy, among Italians and in the rest of the world.

Draghi also pledged to push ahead with reducing the country's reliance on non-renewable energy, which could funnel billions of euros into cleaner energy solutions. This came as welcome news to companies like Comer Industries, a designer and manufacturer of advanced engineering systems and solutions for power transmissions, which partners with some of the world's leading manufacturers when it comes to agricultural equipment, industrial machinery and renewable energy applications.

Founded in Reggio Emilia in 1970, Comer Industries, which provides innovative power transmission solutions for clients around the world, began expanding into France, Germany, United Kingdom and the United States in the mid 1980s. Now it has 1300 global employees, along with seven production facilities. "We're a global company, we're working in Europe, in Asia, and also in South America. We're a real economic driver, releasing energy into the clean energy sector," says Matteo Storchi, Comer Industries' chairman and chief executive officer, and the second generation of his family to run the business.

Comer Industries is a purely business-to-business company, operating in the relatively closed space. "So everyone knows our company and how we work, and we have a good image," says Storchi. "We know what we're doing, how we have to do it, and we can provide a service whenever and wherever it is needed all around the world."

This last point is particularly important as globalisation has become increasingly front and centre, even in sectors like agriculture. "In the end we're global but there's different rules for specific countries; we're global but also local. We think it is important to create value in the countries we're in," he says.

Comer Industries has pushed forward significantly in recent years, beginning in 2017 when Storchi took over control. Two years later, the company went public, opening up to external shareholders for the first time. "This is one of the most critical



Matteo Storchi
Chairman and CEO - Comer Industries

points for a family business," says Storchi. The move paved the way for one of Comer Industries' most ambitious moves to date.

Earlier this year the company entered into a binding agreement to acquire WPG Holdco, the holding company of Walterscheid Powertrain Group, a leader in the Off-Highway sector, which operated in 75 countries and has an annual turnover of around €400 million. Walterscheid Powertrain Group makes components and drive systems for agricultural, industrial, construction, as well as mining equipment. "Thanks to the listing of our shares we were able to make this acquisition, which will help us to become a billion-dollar company, hopefully by next year," says Storchi.

On paper, the combined entity has an annual revenue of almost €800 million, with the merger creating one of the largest global providers of powertrain equipment. Combined, it has more than 150 years of history, along with a clear vision for the future and strong synergies, with highly complementary product portfolios in areas like agricultural, construction

and wind power end markets. This is likely to aid Comer Industries as it looks to continue its global expansion.

Storchi believes that the addition of an American private equity firm, which now owns 28% of the company (with his family retaining a controlling stake), is also beneficial as Comer Industries looks to other strategic moves in the market. "With this shareholder we will have more opportunity. We're a global company, and we need to communicate and open our door to external investment," he says, adding that to date they've been focused on European investors, but are going to expand their capability in Asia and the USA.

Comer Industries' stock has risen by 200% over the last year, highlighting the impressive year the company has had, despite the pandemic, with Storchi saying that they're 100% open to evaluating further strategic acquisitions or mergers.

Despite its drive to bring in outside investors and expand its global footprint, retaining the company's DNA is seen as fundamental. "I believe that in each company the most important shareholders are the employees inside the company," he says, adding that the company's DNA is something you have to remember every day. "Your roots are something that remain in your life forever." In 2008, Comer Industries launched the Comer Academy, an internal training and management school, to help further develop its in-house talent.

Despite its global footprint, Comer Industries remains at heart an Italian, family-run business. "I'm proud to be Italian, to be an Italian family-owned company," says Storchi. "In the last 20 years there's been a lot of external issues that have changed and have conditioned the image of Italy abroad. Now, the Italian government and Italian companies must work closely together to improve things, it has to be a joint effort," he says.



comer industries

Iris Ceramica Group

Sustainable high-tech advances changing the face of the ceramics industry

Italy is known for its food and tourism, but the country's manufacturing sector is also a key area of economic activity, and there is increasingly good news from the sector. In the first six months of 2021, manufacturing turnover in Italy grew by 27.4% compared to the same period of last year, according to the Italian national statistics bureau, albeit with 2020 figures strongly impacted by the global pandemic. Italian exports are forecasted to grow by 9.6% in 2021, and 7.9% in 2022.

Meanwhile, the global ceramic materials market is booming. The sector was worth an estimated \$210 billion in 2020, and is expected to grow to around \$295 billion by 2027, driven by the global construction industry, as well as advanced, high-tech ceramic offerings.

A world leader when it comes to the production of ceramic surfaces for wall, floor coverings and design application (for example furniture), the entrepreneurial activity carried out by Iris Ceramica Group has been operating out of Italy since 1961. Group founder and president Romano Minozzi started his career in banking, before transitioning into the ceramic sector. "Ceramics make people feel comfortable, there is also a strong bond between nature, man and ceramics, tracing back to prehistoric times," he says. "Ceramics are connected to the earth and fire; they are noble-earth elements forged by fire."

The Group has grown significantly over the last few decades with consolidated net revenue of around €500 million, a presence in more than 100 countries worldwide, and more than 1500 direct employees. The Group's ceramic materials are used for residential, retail, industrial and architectural projects all around the world, with a meaningful turnover coming also from the USA, where it has a production facility.

From early on, Iris Ceramica Group introduced a series of innovative processes and products, while also acquiring technological patents that have become a key point of reference for the ceramics industry. The Group has invested heavily into R&D over the years, as part of effort to create and manufacture cutting-edge ceramic surfaces that, among other things, combine antibacterial and antiviral properties with anti-pollution, anti-odour and self-cleaning efficacies. Recent efforts have focused on areas like antibacterial and antiviral properties, timely given the global pandemic. "People have discovered the importance of hygiene and ceramics are hygienic, characterized by superior quality. Ceramics can be considered as one of the most performing and noblest material," says Minozzi.

In 2009, the Company developed a high-end ceramic surface, called Active Surfaces®, which has a strong effectiveness against bacteria and viruses, according to recent studies conducted by the University of Milan. The technology, which has two European



Romano Minozzi
President and Founder - Iris Ceramica Group

patents, yields outstanding photocatalytic ceramics with cutting-edge characteristics that work with any kind of lighting, natural or artificial, as well as LED lamps. They also work in the dark. "We have developed a state-of-the-art industrial process which combines titanium dioxide with silver," says Minozzi. "This comes from old Japanese procedures that make ceramics antiviral and antibacterial. We have also tested it against SARS-CoV-2 with meaningful results," he says.

Active Surfaces® have been tested according to ISO standards. "We are just at the beginning, and the strength of ceramics will improve in the following years," Minozzi adds.

In recent years Iris Ceramica Group has been expanding its operations and sales networks, at worldwide level, with particular attention to the US, Europe and Germany, especially, where the Group has an other manufacturing plant. Minozzi says that developers and architects around the entire world are increasingly interested in using large-scale ceramic slabs in building interiors. "We have the United Arab Emirates, we have China, which is buying our ceramic slabs, we cover the whole world," he says. Minozzi also points to the fact that ceramics are also strongly connected to fashion, trends and design. Authentic beauty and high-end technical features are summed up in ceramics.

At the same time, ceramics production is an energy-intensive industry and Iris Ceramica Group has been looking at ways to be more sustainable paving the way for a new era for the ceramic manufacturing. In September, the Group signed a memorandum of understanding (MoU) with Snam, an energy infrastructure company and one of Italy's largest listed companies, for the development of the first ceramic factory in the world to be powered by green hydrogen, produced with a blend of green hydrogen and natural gas.

The facility, being developed in the Emilia-Romagna region of Italy, is set to be completed by the end of 2022 and will include a 2.5 MW photovoltaic plant on the roof of the factory, combined with an electrolyser and a storage system for renewable hydrogen produced on site. "It's the future. The cost of hydrogen is dropping compared to coal, and even to other fuels. The future is green hydrogen," says Minozzi.

When it comes to his home country, Minozzi is complimentary, but says that Italy must improve on its international marketing when it comes to its forward-looking industries. "We must improve our marketing activities, like Germany does with their strategic sectors," he says.



Smeg - Style and substance

The monuments of ancient Rome, Michelangelo, Vivaldi, Federico Fellini, Armani - Italy is world-renowned for its creative brilliance and style. For millennia, the country has been one of the globe's greatest cultural exporters. This artistic genius is paired with enviable industrial strength. Italy is one of the world's top-ten manufacturing countries, ranking second in the European Union, according to the UN. European Commission statistics show that Italy produces nearly a fifth of the EU's manufacturing output. Industrial activity has been accelerating rapidly in 2021 as Italy's economy has bounced back from the covid-19 crisis, and the sector looks set to be an engine of growth again in the coming years. Few companies demonstrate the Italian combination of creative artistry and high-tech manufacturing vigour than home appliance manufacturer Smeg.

Founded in 1948 as Smalterie Metallurgiche Emiliane Guastalla, the family company's eye-catching designs have become recognised globally. Matching Italian design with the latest technology, Smeg's products reflect the company's commitment to improving home life through both beauty and functionality.

"We come from a country in which beauty, aesthetics, and history are very important - this is one of Italy's strengths," says Smeg chairman Roberto Bertazzoni. "We have started to think that style is a technology, and a very complicated one: good taste, respect of the final consumer, quality of life in the home, and trying to understand what will happen in the future."

Bertazzoni says that the company's strategy and philosophy was shaped around fifty years ago, with cooperation between entrepreneurs and architects. Smeg works with leading Italian and international architects, including Renzo Piano, the leading Italian architect of his generation with buildings including Paris's Pompidou Centre and The Shard in London to his name. Smeg also boasts a line of cooktops and ovens designed by Australian industrial designer Marc Newson, famed for his use of smooth geometric lines. Smeg's 50s style refrigerators may be one of its best-known products; the company was a pioneer in producing them in a range of colours, even following interactions with many iconic Companies. Why, the question was asked, must they always be white?

Recently, Smeg joined forces with Dolce&Gabbana to create the Sicily Is My Love small domestic appliances range, designed by Matteo Bazzicalupo and Raffaella Mangiarotti of Milan studio Deepdesign. The series draws on D&G's Sicilian homeland, with flamboyant motifs featuring gold lemons, citrus fruits, prickly pears, and red cherries.

"Smeg has allowed people all over the world to buy products designed by a very prominent architects and designers but at accessible prices," says Vittorio Bertazzoni, son of Roberto and current CEO and vice President of Smeg. "What is around the family home is important, and we think our products, with colourful and beautiful design, participate in a positive way to quality of life."

With such an emphasis on aesthetics as well as functionality, the company has seen a surge in demand for its products over the past year and



Vittorio Bertazzoni
CEO - Smeg



Roberto Bertazzoni
Chairman - Smeg

a half. People across the globe have spent more time in their kitchens, and desired to beautify them while improving the quality of their appliances.

The company has taken on nearly 300 young new staff to meet rising international sales. It expects turnover to reach nearly \$1bn this year, with 85% of that coming from outside Italy. Smeg is particularly strong in Europe and Australia, but has branches worldwide. Sales have been growing at 50-60% in the United States in recent years. The company's medical equipment division is also an area of expansion.

Despite its global business, the company remains grounded in its values and its home in Guastalla, a town of elegant Renaissance buildings near the Po river in the region of Emilia-Romagna, one of Italy's culinary heartlands. Smeg's leadership keeps firmly grounded, keeping in close contact with international colleagues whom they know personally, and operating as much as a community as a business. "We have branches all over the world, but we have human scale," says Bertazzoni. "That is very important for us. The Italian attitude is to have human relationships at work, and deal with people in a frank and transparent way."

This respectful, attentive approach is reflected in Smeg's Guastalla headquarters site, which is

predominantly parkland, and has a first-class restaurant for workers, as befits an Emilia-Romagna company. This commitment embraces the environment as well: Smeg has invested nearly \$4.0m\$ in photovoltaic panels, and by the end of 2022 will be able to meet the residual energy needs of its Group plants by supplying certified green electricity generated from 100% renewable sources and methane gas with zero impact on greenhouse gas emissions. "We put all our efforts into doing our best, and to being on the 'right side of humanity'," says Bertazzoni. "We not only work for profit, but also to be a good company, doing our best every day and committed to sustainability."

It all comes back to essential Italian values. The Bertazzoni family are devoted to their country, and confident of its future. "We feel optimistic about the future," Bertazzoni says. "Humanity has a love for food, and Italy has a lot to say there. But it also has one of the best economies in the world, with very strong manufacturing and product innovation and excellent entrepreneurs. If you respect Italian tradition, you can be very successful."

"Made in Italy" can be a very interesting proposition for international investors.



Marcegaglia - Pioneering steel sustainability

With a Gross Value Added of €140 billion if direct, indirect and induced effects are factored in, Europe's steel industry is the second-largest in the world, and a major engine of economic global growth. While Eurofer expects a year of healthy expansion on the continent, Marcegaglia, a leading Italian and European industrial group in steel processing sector, is ready for new growth under a pioneering and visionary business strategy.

Established in 1959, Marcegaglia started as a small factory specializing in roller shutter and open profile manufacturing in northern Italy. It has grown operations over the years to become the largest independent player in the global steel processing sector, and the world's top producer of stainless and carbon steel welded tubes. It owes its success to an artful combination of a dynamic family business model, a hands-on, people-centric approach to doing business, an entrepreneurial ethos, and a strong presence in international markets, according to Chairman and CEO Antonio Marcegaglia:

"Our inspiration comes from the founders, my parents, and how they have interpreted the roles of businessmen: with vision and a responsibility towards stakeholders, the territory, the social fabric, and sustainability. Both my sister Emma and I have always believed that "doing business" cannot be strictly only a search for profit. Businesses have a social role in generating and distributing wealth and wellbeing. We are working side by side with our people, within our territory. And we conceive our group as something beyond the interest of the owners. This is what doing business means to us".

Today Marcegaglia serves more than 15,000 clients with a broad product range that includes flat products, tubes, low carbon, high carbon, and stainless steel. It processes between 5.7 million and 6.2 million tons of steel annually, with a turnover that is expected to reach this year €7.5 billion, and it employs more than 6,600 people at 28 plants and 60 sales offices around the world.

And the company has done remarkably well during trying times, remaining resilient during the most challenging and unprecedented shocks in recent memory, including a 12% decline in



Emma and Antonio Marcegaglia

European steel consumption last year:

"Despite last year's downturn, we were able to increase our volumes by 2.7% in real terms. This is quite significant. Profit wise, we were quite stable compared to 2019. We handled the pandemic safely, and remained credible and reliable to our customer base. 2021 will be the best year ever in the group history", Marcegaglia recounted.

It's not only family values and global reach that make the company unique: Marcegaglia's approach to sustainability also sets it apart from many of its peers. The metal industry accounts for 7% of the global carbon emission footprint, and Marcegaglia has taken a leading role in setting the right example during the ongoing green transition, focusing much of its investment on new, clean, and green technologies to support

European and global climate targets.

The company is a pioneer in green investment, most notably with its recent participation in a green steel project slated for construction in Boden, northern Sweden. The H2 Green Steel (H2GS) complex will be the world's first zero emissions steel plant.

Expected to be operational in 2024, and in anticipating of meeting the European Union's net-zero targets for 2050, the H2GS complex will initially produce 2.5 million tons of green steel annually, eventually scaling up production to 5 million tons by 2030. It will be fuelled using only renewable local energy sources for green hydrogen production - namely, wind and hydropower - as well as high quality, local iron ore.

As one in a consortium of forward-thinking investors, Marcegaglia is also providing his industrial know-how, on both commercial and down steel production sides. It will be the main commercial partner in off taking and distributing the products in South Europe.

The project is emblematic of Marcegaglia's deep commitment to sustainability. And it's not only good for the planet, it's profitable: Demand for fossil-free steel is growing rapidly, with strong interest from sectors including automotive, commercial vehicles, white goods, furniture, and construction. Looking forward, Marcegaglia sees this as the future of the industry, and he's almost certainly correct:

"We want to be innovative, evolving our product line and further strengthening our competitiveness in terms of cost with a special eye on sustainability and energy savings. I already have customers asking to reserve capacity from the H2GS plant since now, for which many are willing to pay a green premium. It's the right direction to go," he concluded.



Bonfiglioli

A global footprint from an Italian industrial leader

Italy is in bounce-back mode. The Organisation for Economic Co-operation and Development (OECD) says it expects the country's GDP to rise by almost 6% this year, and by over 4% in 2022, in line with other forecasts, with economic output returning to pre-pandemic levels by early 2022.

Italy's recovery from the pandemic is being strongly aided by the country's manufacturing sector, which is experiencing a period of rapid expansion. The IHS Markit Italy Manufacturing Purchasing Managers' Index is close to its record high, with IHS Markit pointing to rapid upturns in both output and new orders, and with job creation staying close to its recent peak.

Among those that are thriving are Italian companies with strong global footprints. Bonfiglioli, a family-run business, has long been a global leader in gear-motors and drive systems, with a long-term vision as well as a commitment to the regions in which it operates.

The company was founded in 1956, a golden period for the Italian economy, by Clementino Bonfiglioli, and from early on has focused on three key pillars: advanced manufacturing, innovation in products and internationalisation. "We have roots in all continents, so we're able to balance: when one market decreases there's an increase in another market," says Sonia Bonfiglioli, Clementino's daughter and the current Chairwoman of Bonfiglioli.

In 2020 the company made €921 million, up from €789 million just five years earlier. It has 15 plants and 20 branches around the world, along with over 4,000 employees and seven R&D centres: three in Italy and the others in Germany, India and China.

By 1992 Bonfiglioli was already one of the leading manufacturers in Italy. However, a key pillar of its growth has been the internationalisation of the company, starting with a factory in Spain in 1968, which then became a branch, and grew from there. Bonfiglioli's first plant outside of Europe was in India, where the company completed an acquisition in 2001. "Europe was the first phase of our internationalisation, until the 1980s, and then we moved to go out of Europe: USA, Asia, South Africa. It's been a constant activity to become more international, and not only to create branches but to have a real manufacturing activity outside of Italy," says Bonfiglioli.

While Europe, Middle East, Africa still make up the bulk of Bonfiglioli's sales, Asia-Pacific is gaining fast, representing



a third of sales in 2020, with the company looking to grow across all geographical areas and through all of its divisions.

In 2008 the company implemented a new business unit organisational structure. "We produce gear-motors for different sectors, and it's a totally different approach when you supply an industrial company or when you supply Siemens or Caterpillar, for example," says Bonfiglioli. "The business approach is totally different so we have produced these new organisations that move from R&D, up to supply, you have the production and purchases in the middle, and they're customised for the different needs of the different sectors," she adds.

Nowadays, Bonfiglioli's discrete manufacturing and process industries business unit manufactures over 1.5 million products a year, focusing on gearboxes, geared motors, and electric motors for all types of industrial processes and automation. Its motion and robotics business unit offers customised integrated solutions focused on Industry 4.0, and is active across glass and wood processing, textiles, food and

beverages and pharmaceuticals, while its mobility and wind industries unit is an undisputed world leader, with a market share of over 35% when it comes to supplying wind turbine gearboxes to major global players.

After Bonfiglioli's father passed away in 2010 there were multiple offers to buy the company, but the family wanted it to continue with the same values it has had since the beginning. In 2015, Bonfiglioli also began a wholesale digitisation program, as part of its continued commitment to innovation and with the increasingly technical manufacturing skills required at the company. "We started the Bonfiglioli digital training, with 200 hours of re-training for our employees for them to feel confident that they wouldn't lose their jobs and could find the right skills to become a positive, proactive resource for the group," she says.

This also meant that when Covid hit, the company was ready to move to a digital learning platform, the Bonfiglioli Academy, which was inaugurated in October 2020 and extends to employees all around the world. "We've always had multi-sector and multi-geographical balance, which are very strong points," Bonfiglioli says. "However, I think the most important thing is that we're an ethical company, we have strong values, every worker feels like part of the company."

Bonfiglioli also embraces the Japanese concept of "gembu", which promotes a lean manufacturing approach where hands-on knowledge is transferred between workers as opposed to relying on theoretical learning.

Bonfiglioli believes that Italy is changing a lot. Emilia Romagna, the region where Bonfiglioli is headquartered, is one of the best regions to work in, she adds. "A lot of sectors have their roots here and this is very important. Historically we have automotive and motorbike sectors - Lamborghini, Ducati, Ferrari - and we also have all the sectors that are moving towards electrification today. We have a strong activity by the local and national government to support this evolution," she says.



Epta

Acquisitions and global expansion for Italian refrigeration giant

Italy's manufacturing sector has continued to see strong growth, with the IHS Markit Purchasing Managers' Index (PMI) for Italian manufacturing rising from 59.7 in September to 61.1 in October, to signal a sixteenth straight monthly improvement in the health of the sector.

Meanwhile, the global commercial refrigeration equipment market is expected to grow to \$76.6 billion by 2025, up from around \$59.2 billion in 2020. This is good news for companies like Italy's Epta, which specialises in commercial refrigeration systems.

Epta currently produces around 230,000 units a year, with revenue of €908 million in 2020, 11 production facilities and sales offices in more than 40 countries. "Today we're one of the leaders in Europe. We want to consolidate this across every European country, as well as in Asia and Americas" says Marco Nocivelli, chief executive officer of Epta.

In 1986, Nocivelli's father, Luigi, acquired a company that was, at the time, one of the market leaders for commercial refrigeration in Italy, with a turnover of around €70 million. The family later acquired other companies in this sector, and in 2003 founded Epta to combine all of these entities. Today, Epta, headquartered in Milan, includes the brands Costan, Bonnet Névé, Eurocryor, Misa, Iarp and Kysor Warren, and has more than 6,000 employees. Its core business remains producing complete systems for commercial refrigeration, like those in supermarkets.

At the time of the generational change, in the early 2000s, the company had grown to revenue of nearly €400 million, but it was still very much a mid-sized company. "The financial situation was really difficult and we started rebuilding the team," says Nocivelli. "This allowed us to restart on a path that was half internal growth, half acquisitions."

About every two years since 2007 the company has completed further acquisitions, and in 2013 Epta joined with another family business to enter the food and beverage sector, with refrigerated cabinets for food and drinks.

In 2019 Epta also formally entered the United States, buying the third-largest player on the market, Kysor Warren. "We have ambition to grow in the USA with the same approach that we have applied in Europe: internal growth and acquisitions," says Nocivelli.

The company is pushing growth across all of its existing markets and in the last few months has finalized two additional acquisitions in Chile and Finland.



Marco Nocivelli
CEO - Epta

Today, Epta has external auditors and independent board members, as well as risk and remuneration committees, creating a more transparent business. The company ranked among Deloitte's Best Managed Companies in Italy in 2019, 2020 and 2021.

Epta also joined the ELITE program offered by the Italian Stock Exchange and London Stock Exchange Group in 2014, to better understand the language of investors. "The idea of opening the capital to investors, or an IPO, has been in our minds since 2013. When a good moment and opportunity arises we will be prepared," says Nocivelli.

"For me, being open to investment is something important," he adds. "Investors are good because they keep you on your toes and make you want to be better."

"The Group's Development Plan includes a growth in dimensions both for the internal and external lines," says Nocivelli. "The refrigeration market is quite resilient and is showing interesting growth rates

driven by the latest digital trends and by a strong commitment emerging from the Green Deal. The path towards a more sustainable and natural refrigeration is set. One of our guiding principles is sustainable innovation: we have it in our DNA." For Epta, sustainable innovation is a legacy of values, experiences and technological ethics that guide its activities every day.

Over the past three years Epta has invested €118 million in technology and innovation. The company has around 200 engineers working in R&D involved in studying technologies such as CO2 refrigeration systems, in order to contribute to the reduction of the environmental footprint of the refrigeration sector. "The impact of a solution with CO2 as a refrigerant is 4,000 times lower compared to systems with chemical refrigerants," says Nocivelli. "We are able to offer these systems everywhere in the world and we are proud that the European Community believed in our project and co-financed it under the Life Programme."

In 2021, Epta was one of the 10 Italian companies recognized as Europe's Climate Leaders, and was also awarded the title of Italian Sustainability Leader.

Nocivelli says that sustainable innovation has to be done as part of a larger community, with Epta contributing to setting up schools and courses for refrigeration and partnering with start-ups and universities.

He also highlights the multinational aspect of the company today. "We're happy to be able to include people from every nationality in our organization. We strongly believe in the union of good ideas and cooperation amongst different people, that makes a product better. When we see passion in the eyes of people as they look at our products it makes us very proud."

At the same time, Nocivelli believes that the image of Italy abroad can be further improved through the handwork of its citizens. "In reality, all throughout Italy there are good and hardworking people doing great things."



Pellegrini Group - Feeding the world the Italian way

Italy's economy is expected to see a rapid recovery from the global pandemic, with gross domestic product (GDP) forecast to grow by around 6% this year, and by more than 4% in 2022, according to the Italian Treasury. This will be welcomed by the country's food sector, among many others.

It's fair to say that food is important to Italians. It's also a sizeable industry for the country; food exports alone are expected to top €50 billion in 2021, based on data from the country's national statistics bureau. This year could also be an important one for those involved in the country's catering sector, part of a \$500 billion global industry. Catering companies need to balance the return to the office for many workers with the new paradigm of hybrid and home-working for others. Some companies will struggle, others will thrive.

Ernesto Pellegrini, chairman of Gruppo Pellegrini, which for over 56 years has kept workers fed across Italy and beyond, is one of those busily preparing for this new reality. Pellegrini says that even one day of remote working a week could mean a 20% loss of business, and it is not just employees' working habits that have changed, it is also their lunch habits, with many now looking for increasingly flexible services that allow them to eat where, when and how they want. Despite this, Pellegrini plans to increase its turnover by 30% within the next four years, with a key part of this its institutional approach - having a direct, personal relationship with its customers.

Pellegrini founded his eponymously named company back in 1965, after being asked to run the company canteen at Bianchi, the oldest bicycle manufacturer in the world, where he was working as head accountant. Despite his lack of experience he jumped at the challenge, and in the following decades his company grew substantially; Pellegrini now has a turnover of €700 million, employs around 10,000 people, and has become the caterer and partner of choice for all the Italian private and public leading companies.

Companies that succeed need to embrace change and opportunities. In 1979, Pellegrini added Pellegrini Catering Overseas, to provide quality service for international companies at work sites abroad, especially those in the oil and gas sector. A few years later it added a centralised and integrated purchasing and quality control platform, and later a fresh meat processing centre. "This is something that still sets us apart to this day, recognised by the market as a great strength," says Pellegrini.

Since the pandemic began Gruppo Pellegrini has completed two acquisitions:



Valentina and Ernesto Pellegrini

a catering company, IFM, which has a solid base of prestigious clients and a turnover of around €35 million, and Mymenu, the leading Italian food delivery group. "This has allowed us not only to acquire a plethora of technological and managerial capabilities typical of a startup, but also to increase our range of services for companies and their employees and families, as well as diversify our offering by entering the direct-to-consumer market," says Pellegrini.

The company is also finalising a delivery service for the smart-workers from its cooking centres, which will let customers plan ahead by allowing them to be kept meals for a few days, utilising technologies such as protective atmosphere and vasopasturization. The project is being overseen by the Pellegrini Accademy, the research, development and training center of the Company.

This ability to expand has been aided by the decision of Pellegrini and his family to reinvest all profits back into the business. "This makes us extremely robust, with net equity over €130 million, that will be invested also to achieve all our sustainability objectives," he says. The group is also expanding abroad, into Switzerland, and other countries such as Egypt and UAE.

Pellegrini's successes haven't just come

in the realm of businesses. In 1984 he also took over as chairman of Inter Milan, and over his decade of control the team won a record-breaking Scudetto, an Italian Super Cup and two UEFA Cups. "I'm still the chairman with the most wins in Inter Milan's history within their first ten years," he says.

Pellegrini sold the team in 1994 (for reasons he has promised to reveal on his 90th birthday), and went back to dedicating himself 100% to the growth and development of his company, opening up a cleaning and integrated services division in 1996, a vending division in 2000, and a company welfare division in 2015. He also founded the Ernesto Pellegrini ONLUS Foundation in 2013, which includes the Ruben restaurant in Milan, where 300 people a day can get an evening meal for the nominal price of €1, to help give them back a sense of dignity.

Despite the challenging recent past, Pellegrini is passionate about Italy and believes the country has a bright future. "Bringing foreign investment requires renewed credibility from a political perspective, and I believe Prime Minister Mario Draghi is headed in the right direction with this," he says.



Metalleghes - A reliable leader in European steel

The global economic rebound has left Italian steel producers in an enviable position. Standard & Poor's reported the Italian industry had almost completely bounced back from the 2020 lockdown as of July last year, and prices have been soaring in recent months. The mid-term global outlook for the industry is positive - steel demand is set to reach 2.2 billion metric tons by 2026, up from 1.7 billion in 2020. Metalleghe Group, a leading Italian and European ferroalloys trader, is on the cusp of a new growth phase.

Established in 1980 in Brescia, Metalleghe is active in producing and commercializing ferroalloys, recarburizers and slag foaming agents, as well as additives and corrective materials for the Italian and European steel industry. Its core focus on reliability, diversification, and proximity to clients has helped push it to the front of the pack, as president Guido Dusi highlighted: "Reliability is our trademark, our reputation was built on it. We ensure reliability with strong capitalization of our facilities, direct management of our properties, and investment in technology. Our customers know they can depend on us."

Combining the best of Italian design and artistry with the highest-quality industrial production and logistics has kept the group agile, competitive, and always growing, especially in the last 22 years, under the guidance of Silvia Dusi, CEO of the Group. Its unique one-stop shop model also helps: Metalleghe operates offices, warehouses and plants across Italy, Bosnia, France, Germany, Turkey, and Romania, maintaining close proximity to customers to ensure the highest service standards.

"There are no competitors like us, doing what we do; we are number one in both the Italian and European market in our product sector. We are a service company with stock and materials in warehouses all over Europe, which allows us to provide timely and reliable delivery to our customers. This is our great advantage, providing a lot of opportunities for growth. We are a one-stop shop, and this is quite unique," Silvia Dusi explained.

Six subsidiaries operate under the Metalleghe Group portfolio, including Metalleghe SPA, Eurometa, Esart Fonderie SRL, B.S.I. D.O.O, R-S Silicon, and Cuprocast SRL. Diversified operations offer clients a wide array of products and services; Eurometa, for example, is active in the French market, where it specializes in the production of ferroalloy briquettes



Gianmichele Foglia - Commercial Director
Guido Dusi - President
Silvia Dusi - CEO

for iron foundries. In Italy, Esart Fonderie casts copper components up to five tons in mass, which are used in projects requiring high levels of electrical conductivity, and in Bosnia, Metalleghe produces silicon metal, a key component of aluminum, solar panels, silcones and electronica device, and silica fume, which is used in high-performance concrete and fertilizer in agriculture. Metalleghe also diversified in the ready-to-drink market creating in 2020 Spirito Cocktails, an Italian brand of handcrafted ready-to-drink cocktails.

Dusi has always sought to identify gaps in the market where the group could grow and diversify, ranging from artisanal bronze home products to parts for furnaces. Operations in Bosnia launched because he was able to acquire and refurbish an old factory that had been damaged during the war. After that, the group built a new greenfield factory that also produces silicone metal. This unique growth strategy has helped support

important and ongoing research and innovation; Today, under Dusi's leadership, Metalleghe consistently invests in new product lines to complete its offerings, and technological upgrades to ensure the highest quality production and punctuality.

Its plants are equipped with state of the art grinding, screening, and drying equipment used in the processing of ferroalloys, coals and additives, and the group operates an internal laboratory equipped with cutting edge machinery for performing daily physical and chemical analysis. Recarburizers are carefully packed in bags at its next-generation plant to ease transport and handline, and products are moved to warehouses across Italy and Europe to allow for quick delivery to steel mills and foundries.

Metalleghe is one of the most active players in the international market, and the group is ready to build further on its successes. Its revenues have nearly doubled in value since 2018, and the group is focused now on growth in existing markets, as well as further expansion in to Turkey and the Mediterranean, an expansion that will be supported by the new export sales department that has been created this year. It is investing particularly heavily in Turkey, where business is booming, and as steel demand continues rising, the future looks bright.

"We have 500 employees and record €500 million in turnover. This year we expect to exceed €500 million. Growth will be mostly organic because our biggest push is expanding the existing business to new markets. We are already well established in Germany and other neighboring countries, but we are opening a distribution business in Turkey, and we are interested in Northern Africa and Europe. We see a very good future for the company," said Dusi.



Rodacciai - part of Rodasteel Corporation Group Italian steel manufacturer building for the future

The Italian economy is improving vigorously from the challenges of 2020, with most sectors recovering and on track to return to pre-pandemic levels in the near future. The oil and gas has already recovered, generating optimism among the various players in the steel sector.

The global automotive metals market, which had slowed considerably due to the commodity and semiconductor crisis, is also expected to grow at a compound annual growth rate of 4.52% between 2020 and 2026, according to global market research firm Straits Research.

Despite complicated dynamics, 2021 has already been a record year for Rodasteel Corporation Group, with over €650 million in turnover and 1,400 employees; numbers that make the Rodasteel Group one of the world leaders in the sector of long cold finished products.

In its Bosisio Parini plant, in the heart of Lombardy, where Rodacciai is headquartered, the company's cold treatment activities are carried out. The result of these processes are steel bars and wires of different shapes and sizes, with the possibility of specific customization for customers.

"Every year 370,000 tons of cold finished steel products come out of our plants: free cutting steel, alloy, carbon, and stainless steels, used basically in all productive sectors," says Gianluca Roda, president of Rodacciai and Olarra, companies that are part of the Rodasteel Corporation Group.

"The added value of Rodacciai lies in the presence of its technologically advanced rolling mill, which allows for the production of steels in unique formats on the market and for vast production flexibility, making order fulfilment faster and more effective," he adds. "It also enables us to carry out stringent quality control on practically the entire supply chain of the product."

'Made in Italy' and being a family business are key factors that determine the DNA of the Rodasteel Corporation Group, with its history strongly linked to that of the Roda family; Giuseppe, who founded the company back in 1956, his son Gianluca who now leads it, and his sons, Andrea and Giorgio, who represent the third generation of the family involved in the business and who have already joined the company overseeing key departments.



Gianluca Roda
President - Rodacciai and Olarra

One of the key milestones in the group's history was the acquisition, in 1994, of the Olarra steel mill in Bilbao, Spain.

"In Olarra, we don't stop at the semi-finished product, as typically happens for other steel mills, but we move on to the transformation into a cold finished product, and in this way generate optimal control of the supply chain," says Roda.

The distribution capacity created by the group over the years to support sales is also very significant, and relies on the widespread presence of logistic and commercial branches or subsidiaries in Italy, France, Poland, Turkey, Germany, Spain and the United States.

While the group has solid roots in Italy, where about 50% of its turnover is still achieved, it is continually looking to expand into other markets, including in the Far East, where many of its strategic customers

operate directly and often ask for supplies that meet European quality standards.

At the same time, entrepreneurs and managers are careful to identify and evaluate, without preclusions, new opportunities that may arise in all areas of the business.

The company's path of consolidation and expansion has proceeded uninterrupted for more than a decade, a period in which there has been a growing evolution of plants, processes, the strengthening of production capacity, and also significant improvements in the management of departments, with the acquisition of high-level professional skills.

During the pandemic, the Roda Custom Line was also presented to the market, a category of special products characterized by a high degree of customization and innovation, with a unique qualitative added value for customers. "This is the result of the innovation achieved in RodaLab, a department dedicated to R&D, which is the contact point between research, engineering and industrialization," says Roda. "Here, the company's future is studied and planned."

In recent years, the group has also paid increasing attention to sustainability, which has resulted in concrete actions to reduce its environmental impact, addressed in its recent Sustainability Report. The group also commits to human resources regarding welfare, organization, and educational programs that aim to enforce technical and soft skills.

"I believe in specialization," says Roda. "We do not pretend to do everything, but what we do must be the best available on the market, and, in fact, our competitors cannot reach the quality level that we can offer. After all, we do not want the customer to buy from us just because we are the most straight forward, we want him to choose to buy one of our steel bars consciously because we are the best."



UFI Filters

Italian filtration giant aims to harness shift to electric vehicles

The coronavirus pandemic took its toll on the Italian economy, which shrank by 8.9% in 2020, according to the country's national statistics bureau. However, its recovery could be just as swift, benefiting from far-reaching developments tied to exports and global trends like the push towards cleaner energy. In April, Italian exports were up 6% compared to January 2020 levels, the strongest growth of any major eurozone economy, and in May the country's economic sentiment index rose by 11 points, according to European Commission data, by far the fastest monthly increase among the major eurozone countries, and Italy's strongest gains since 2000.

One area that could see strong growth in the near future is the automotive sector, given the global rise in electric vehicles. According to strategic research provider BloombergNEF, passenger electric vehicle sales are set to increase sharply over the next few years, rising from 3.1 million in 2020 to 14 million in 2025. By 2025, electric vehicles are expected to make up 40% of total vehicle sales in Germany and 25% in China, the world's largest automotive market. Sales of electric cars in Europe have jumped from 198,000 in 2018 to an expected 1.17m this year.

Italian companies like UFI Filters are well placed to benefit from the shift from combustible engines to electric, both for passenger vehicles and heavy duty ones. "We produce coolers, chillers, water condensers, all the systems to maintain and manage the temperature of the battery. We invest a lot into fuel cells, in all filtrations of fuel cells where we already have products available. We are participating in a European project to produce fuel cells and electricity from hydrogen," says UFI Filters chairman Giorgio Girondi.

Over the last four decades UFI Filters has grown to become one of the global leaders in filtration technology and thermal management, for everything from the automotive sector to aerospace, marine, customized hydraulic applications and wind power. Its technologies can be found in Formula 1 cars (where they supply nine out of ten teams), as well as on the ExoMars spacecraft being created by the European Space Agency (ESA) and Russian space agency Roscosmos. The group currently holds more than 260 patents, and has developed technologies using low-weight and recyclable materials that reduce the weight of cars - such as the MultiTube air filter, which increases engine power by 4% - and therefore CO2 emissions, another big plus in an increasingly green-focused world.

UFI Filters' turnover was roughly \$2.5 million when Girondi took over; now it is close to \$500 million, "and this was only organic growth," he says. The group has doubled its turnover in the last 10 years alone, and its products are used by six out of seven leading automotive manufacturers in the world, covering over 95% of the world car park, with its spare parts distribution business,



Aftermarket, accessible across 70 countries.

Global, just-in-time supply chains are changing the way many businesses operate, and China, in particular, has the possibility to become an even larger market for UFI Filters, aided by favorable market conditions and its long experience in the country.

UFI Filters was one of the first Italian companies to push hard into the Far East, and has now established 19 industrial sites and three innovation centres, including seven in China and three in India, with over 4,000 employees across 21 countries. Girondi has shown his own commitment to the global footprint of his company; he was one of the first entrepreneurs to invest in China in the 1980s, where he remained for over five years, and later spending three years in India and time in South Korea. "Our advantage is innovation and the possibility of building a product in every part of the world. We opened Australia now so we're on every continent. We have the possibility to have the perfect quality in every country we work in," he says. "The advantage we have is that we are very open, especially due to our long stay in Asia. We want to be the future of our sector, when I turn back I see it. We are not afraid, we are excited by the changes."

UFI Filters is currently focused on expanding

its customer base and strategic partnerships, but isn't ruling out further acquisitions, if the right opportunities present themselves. "I'm always open to M&As, especially in times like these when there are big changes; the electric car is a big change, and also fuel cells, where we believe a lot," says Girondi.

As the birthplace of Ferrari, Fiat, Lamborghini, Alfa Romeo and Maserati, Italy has a strong reputation when it comes to creating beloved automotive brands. Still, despite its reputation as the birthplace of the renaissance and the continued growth of pioneering companies like UFI Filters, the country is rarely at the forefront of people's minds when they think about industrial development. "The way we market ourselves is a problem," says Girondi. "We have the food, the wine, the tourism, etc. It is difficult for an Italian to go from such a beautiful country and try to develop. Italy is a country of ideas, of the creation of products, research going from Archimedes, Da Vinci, Galileo, Marconi. We have a DNA for inventing. We need to work to improve our image in the world and also to attract investment here."



Intals - Italy's circular economy champion

With growth expected to hit 4.5% this year and maintain a similar pace through 2022, Italy's economy is resurging strongly following the covid-19 pandemic, according to a recent report by the Organisation for Economic Cooperation and Development. The OECD highlighted strong momentum manufacturing, exports, and investment in particular.

Indeed, the industrial sector is already larger than it was in February 2020, before the pandemic hit Italy, and grew by an annually-adjusted 13.9% in June. Strong growth is not the only story in Italian manufacturing: it is also being shaped by Italy's development of a more circular economy, for which the country ranks first among major economies in the EU, according to the Circular Economy Network.

An 120-year old family business, Intals exemplifies Italy's leadership in the industrial circular economy. The secondary aluminum producer has worldwide connections stretching from the United States to South America to Japan, with 50% of its turnover outside its home market, and is strongly-placed for the global shift towards circularity and lower carbon.

"We're in a change of paradigm that started before the pandemic and has been accelerated by it," says Intals managing director Marco Vedani. "We're at a turning point with the growth of renewable energy,



greater attention to climate change, CO2 reduction. And we're in the right business."

Intals produces aluminum alloys from metals for recycling, as well as residues and scrap. Its products can in turn be recycled, leading to much-reduced waste and lower emissions. Compared to manufacturing from bauxite, recycling aluminum reduces CO2 emissions by 7000kg per tonne and saves 16,000

litres of water, while using 95% less energy.

"We help clients meet regulatory requirements in reducing CO2 emissions in their value chain," says Vedani. "Customers also want to see greater recyclability, as we saw with a recent project with Nespresso. Lowering carbon footprint is a business driver, and the direction of travel is clear."

With its roots in a business taken over by Vedani's great-grandfather, a foundry labourer, Intals remains rooted in its family values, while embracing international opportunities in the green transition. Vedani sees particular potential in the automotive industry, a major consumer of aluminium, and the company is open to new partnerships to support its growth.

"We are known for our skills, professionalism, and long history in the business, want to offer our knowledge across the world."

Vedani sees his company's values and success as rooted in those of its home market, which has provided a bedrock for Intal's international expansion.

"Italians are very flexible, and are native problem solvers," he says. "We never say no, because we always find a reliable solution."



Gruppo Vender - Carrying the Italian flag globally

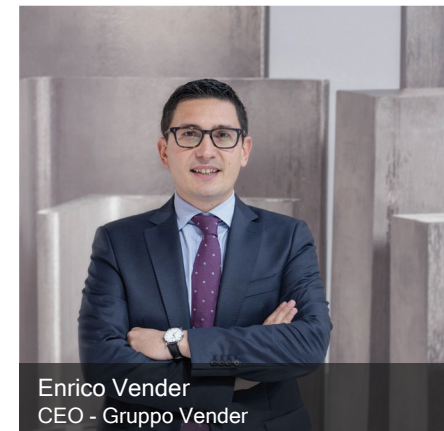
Investor confidence in Italy is resurging in 2021, after a tough period during the peak of the covid-19 pandemic. In the first half of the year, the country saw 79 transactions from private equity investors alone, with a total declared deal value of \$30bn, according to Deloitte. Some 96% of those surveyed said that they were planning new investments in the coming months.

Confidence is particularly strong in the industrial sector, boosted by the rise in demand domestically and internationally, to which manufacturers have been quick to respond. Crude steel output rose by 27.5% year-on-year in the January-August period. Italy is both the second-largest steel market in the European Union and its second-biggest producer, accounting for 15% of overall output.

Vender Group has taken this opportunity, as a leading company in stainless steel transformation and distribution with a strong presence across Europe. The company was founded in 1976 in Parma (Italy) by Giovanni Vender, who expanded his network by acquiring new companies across Italy.

In 1992, Vender Group was the first private Italian company to enter Eastern Europe market by foundation of new subsidiaries, this strategy has helped to develop the economy of these countries.

"We now have 45 distribution sites across



CEE," says Enrico Vender, Giovanni's son, CEO Vender Group.. "We are continually researching international markets in which we can develop our business and transfer our knowledge, including outside Europe. We are seeking partnerships and acquisitions. We have become stronger from taking our opportunities."

Over the past decade, Vender Group has been focusing on the domestic market by automating warehouses, and deploying of technology including geolocalisation - essential to maintain the company's leading position in the market.

The strategy has proved successful - the group's turnover in 2019 was over \$700m, and this year it is forecast to reach \$900m.

"We have four main competitive advantages," says Enrico Vender. "First of all, the competence, expertise and know-how of our people."

Secondly, our network, which we compare to capillaries across the territories we operate in. Moreover, our wide range of products. And finally, our automated warehouses."

That automation brings manifold benefits, including quick collection, a guarantee of product protection, space optimisation, and better stock control. The emphasis on quality and innovation is combined with the passion and global strategic vision of the leadership.

"Our family is very involved in the business, and we take all decisions in a fast and proactive manner," says Enrico Vender.

Indeed, as Acciai Vender looks to continue its global expansion, it remains an Italian family business.

"Personally, I have always showcased the Italian flag with pride," says Enrico Vender. "I've travelled all over the world, bringing Italian business values globally - and our company looks forward to carrying them even further."

