

Italy - A new era of economic sustainability

Investment in Italy surged 15.8% in 2021 and is expected to expand at an annual average 5.7% in 2022-23, according to a December 2021 report by global professional services company PWC, as the country reasserts its position as one of the world's leading business destinations.

The Southern European economy, one of the world's ten largest, saw investment more than three times the European Union average in 2021, and will continue to outstrip the bloc of which it is a leading member in the coming two years. As PWC noted, the country was recently upgraded from "stable" to "positive" outlook by ratings agency S&P, acknowledging "the government's commitment to pro-growth reforms would boost the economy".

Official estimates show that the economy grew by more than 6% in 2021 and will expand by a further 4.7% in 2022. Yet the administration led by highly-respected former European Central Bank president Mario Draghi will not rest on its laurels. The government is committed to further reform, and supporting Italy's extremely dynamic private sector, which is taking the lead in Europe's recovery - and its transition to a greener, more digitalised economic model.

"Italy is currently experiencing a period of strong recovery, which is better than what we had imagined even only a few months ago," said Draghi in September 2021. "If we look beyond the current economic situation, our goal must be to significantly improve Italy's long-term growth rate. To strengthen the economy, we must open up markets, not defend our incomes. We intend to foster innovation and support the environmental and digital transition. Knowing the merits of Italian businesses, I have no doubt that Italy will be proud of this page in its history."

Draghi's government is earning widespread praise from the Italian business community for its progress in driving improvements to the investment environment and its support for the post-covid recovery. Following the deep recession of 2020, and a period of political squabbling prior to it, the leadership and policy vision shown by the Draghi administration is proving most welcome.

"Now Mario Draghi is helping to strengthen the Italian flag abroad. Draghi has given more strength for the image of Italy" says Angelo Colussi, president of Italian food producer Colussi. "With the recovery plan, Italy is going through a "renaissance". The Italian entrepreneurs react quickly, and it is a good example of Italian "can-do" mentality. Of course, the basis remains, we are based on common law, we have strong basis and pillars but we need to improve, and are improving, thanks to Draghi and his policies."

Draghi's economic strategy includes both a wave of new investments and a raft of reforms to areas including streamlining bureaucracy, shortening court processes, updating competition rules, and wide-ranging tax reforms to strengthen and simplify the system, while increasing receipts. A combination of growth and fiscal consolidation should drive down Italy's historically high debt-to-GDP ratio, with the 2021 deficit already likely to be lower than initially forecast.

"The litigation amongst political parties stopped," says Emanuele Grimaldi, president of shipping company Grimaldi Group. "Now we have a strong government around a very strong man who I think is delivering. We are recovering more quickly from the crisis and the economy is moving. Today



Mario Draghi
Prime Minister of Italy

there is a big opportunity of public spending for the new generation. Through a reliable government we can serve our debt with less interest rates."

Indeed, Italy is grasping that opportunity with both hands. Its huge €191.5bn recovery and resilience plan was approved by the European Commission in June 2021. The forward-looking investment package allocates 37% of funds to measures that support climate objectives, and 25% to measures to support the digital transition. This will create a huge range of new opportunities in growing sectors such as renewable energy and 5G networks, benefitting both innovative Italian businesses and top foreign investors. As a result, the case for investment in Italy will only get stronger in the coming years, building on the competitive advantages that have already made it a world-leading economy, not least its talent pool.

"The reason Italy can become a strong and attractive country for investors is that we're in the middle of the Mediterranean, we have a culture for high-quality and high technological products, and even more importantly: the quality of our people," says Antonio D'Amato, CEO of SEDA International Packaging Group. "For Seda, Italy still produces about 40% of our total business, we're exporting 85% of everything we produce in Italy to other parts of the world, so we could actually be based anywhere but we chose Italy because of the high-quality people we have here."

These strengths have provided the ideal environment for Italian companies to become world-leaders in their fields. The country has particular strengths in industries including high-tech manufacturing, design, and agroindustry, and businesses in these fields and others continue to expand internationally, taking their technology and expertise global.

"Since the beginning I had 3 main objectives for my company," says Paulo Vitelli, CEO of leading

luxury yacht manufacturer Azimut Benetti. "First one was to be an international Company. We have to follow the principle of being international. We export more and more; we try to enter even the niche markets and be stronger in the strong markets. This year we further increased our presence in the American market where the demand is very high, strengthening our position of N1 European player in the American Continent."

While growing internationally, Italian companies retain grounded in the values of their homeland: innovation, entrepreneurship, and integrity. These values are reflected in Italy's approach to investors and business partners.

"We are a reliable country - you know what you buy, you will never be disappointed, and we are never selling what we don't have," says Valerio Battista, CEO of Prysmian Group, a worldwide leader in the cable industry. "We always deliver what we promise. We are proud to say that we are Italian, and we can show that Italians are able to do things properly."

The government is committed to seizing the opportunity to untangle structural issues that have constrained Italy's growth for some years, and supporting companies through the energy and digital transition. These pledges have been followed through with concrete policy action, resulting in growing confidence in the investor community. In December, ratings agency Fitch upgraded Italy's credit rating, reflecting its higher than expected growth, improving fiscal position, and the new wave of recovery funding. The direction of travel is clear: onwards and upwards.

"You can see many things are happening day by day, says Massimo Carrara, president of Cartiere Carrara, a key player in manufacturing of quality paper. "For the first time ever, we can work on what the country needs. It's not every day this happens, so we are confident".

Prysmian - From turnaround champion to global leader

By raising its forecast for Italy's 2021 GDP growth to 5.8% in October, the International Monetary Fund gave a strong vote of confidence in the European Union's third-largest economy. The fund hiked its forecast by nearly a whole percentage point following the country's robust rebound from the covid-19 crisis. The outlook is further brightened by long-awaited structural reforms moving forward and a wave of EU-backed funding is coming onstream.

The strength of the economic recovery should help the government deliver on one of its top priorities - accelerating the energy transition, in which Italy is a world leader. The transition will see the world shift away from fossil fuels towards a zero-carbon economy by the second half of the century, entailing a massive wave of investment in renewable resources, electrification, battery technology, and the power grids to support them. In April 2021, the government allocated \$78bn for "Green Revolution and Ecological Transition" expenditure, including €28bn for the energy transition and sustainable mobility, the vast sums a clear statement of intent from one of the world's top-ten economies.

Prysmian Group is in a prime position to participate in the transformation, as one of the country's biggest companies and a global market leader in cable manufacturing.

With sales expected to exceed €12 bn in 2021 and approximately 30.000 employees in over 50 countries and 108 plants, Prysmian is a solution provider rather than just a cable maker and installer.

"The power grid will be the backbone of an energy system dominated by renewables, especially by wind," says CEO Valerio Battista. "The ambition of Prysmian is to act as enabler for accelerating the energy transition, while also creating business value. We are supporting the development of greener and smarter power grids with innovative cable technologies to cover longer distances and sea depths, ensuring higher performances, reliability and sustainability."

The change required by the transition is dramatic, but ever more pressing due to the impact of climate change on humans and nature, which is already being felt. With nearly 25% of global CO2 emissions coming from electricity and heat generation, the sector has a huge role to play. The transition is already underway, with renewable sources accounting for 26% of electricity generation worldwide, and economics increasingly favouring clean energy. The transition will also entail a massive drive for electrification to replace fossil fuels. Electrifying the global transport sector alone could double electricity demand.

Power grids will be the enablers of the transition, integrating a range of energy sources including those (such as wind and solar) that have variable output. Sources are increasingly likely to be in rural areas and offshore, requiring electricity transit over longer distances to cities and industrial centres - and creating new jobs and opportunities in grid development and maintenance. The UN's International Renewable Energy Agency estimates that annual investments in power grids will need to double to \$90bn in the next thirty years.

Prysmian has a range of tailored solutions for various parts of the developing electricity



Valerio Battista
CEO - Prysmian

supply chain, and is continually developing its product portfolio. It is the only European cable manufacturer offering ethylene propylene rubber insulation technology, particularly useful for connections to and between wind turbines, and is the leader in DC connections that are needed for windfarms far offshore.

"We are the only ones that can transmit the highest power, at the highest voltage, and to the deepest depth," says Battista.

The company is currently working on its third floating wind project, EolMed, 18km off the French Mediterranean coast, leveraging its experience and R&D in the segment, which is expected to become ever more economically competitive.

In August 2021, Prysmian launched the Leonardo da Vinci, the world's most advanced cable installation vessel, strengthening its leadership in the submarine cable business. The ship has the highest carousel capacity in the market, reducing factory-to-site transport times and improving project efficiency. Its first project is installing the Viking Link submarine cable between the UK and Denmark, the world's longest power interconnection. Prysmian offers a complete range of cables for international electricity transmission between countries and continents.

The company's P-Laser technology, the first 100% recyclable, high-performance cable technology based on high performance thermoplastic elastomer, was selected for two out of three awards for the huge German Corridors project, a central plank in the country's transition away from coal and nuclear power. Prysmian will supply 2300 kilometres of energy cables, representing around 44% of the total amount, with contracts worth more than \$2bn.

"We are taking the lead in the giant transformation of the energy sector," says Battista. "We have increased our specialisation in interconnectors and offshore wind farms, which are driving change. We have to develop better technical solutions to help our customers execute connections as cost-effectively as possible."

Prysmian's commitment to the energy transition goes hand-in-hand with its business success. In the first nine months of 2021, the company racked up an order intake of €2.3bn, taking its total order book to a record €4.9bn, with the US market particularly strong. On the back of sales of €9.294bn, adjusted EBITDA rose to €725m, up 12.1% on the same period of 2020, and net profit soared by 82.1% to €255m. Prysmian is confident of achieving the high end of its full-year 2021 adjusted EBITDA target of €920m-€970m. Meanwhile, the company has accelerated its move towards net zero.

Overall, 53% of Prysmian's sales come from the EMEA region, 31% from North America, and 8% each from APAC and Latin America, a diversified mix that has helped it maintain revenues and weather downturns. Yet it remains at heart an Italian company, exemplifying the best of the country's forward-thinking and innovative approach to business.

"We are proud of being Italian," says Battista. "One of the reasons it is good to invest in Italy is our problem-solving attitude. We are used to working in stressful situations and can operate in different environments. We are always flexible and straightforward."

Prysmian
Group
Linking
the Future

Grimaldi Group

Green shipping and sustainability

In a remarkable rebound from the covid-19 crisis, Italy's economy will grow by 6.1% in 2021 and 4.1% in 2022, according to Italian business lobby Confindustria. The organisation's research unit, CSC, had previously forecast 4.1% for this year, but upgraded its expectation based on the country's multi-billion recovery programme, supported by the EU, and the contained impact of the Delta strain of covid. The Confindustria announcement comes after the International Monetary Fund praised Italy's government and central bank for their "prompt and decisive policy responses", which combined with EU fiscal and monetary responses cushioned the impact of the pandemic, and set the platform for the economic recovery.

The Italian maritime industry is a key part of this rebound, as shipping volumes have accelerated due to increased trade, and tourists eye a return to ferries and cruise ships. The sector contributes more than \$50bn to GDP, equivalent to 3% of the total, according to industry figures. With a fleet of around 1400 vessels, it employs 900,000 people.

Grimaldi Group is a major player in the sector, with a long reputation and a storied name, and subsidiaries across the Mediterranean and beyond including Finnliness, Minoan Lines, Atlantic Container Line, Transmed, and Malta Motorways of the Sea.

"Some of the leading companies in the world have worked with us for decades - GM, Ford, Caterpillar, Fiat, Ferrari," says CEO Emanuele Grimaldi. "We have received multiple awards as one of the world's best in our field. We have the greatest respect our clients and try to deliver the best for them in terms of logistics and competitiveness."

With business ranging from cargo shipping to car and passenger transportation, the company is expanding across the board.

In July 2021, the Grimaldi Group and the Armas Trasmediterranea Group reached a definitive agreement for the sale of some assets of the Spanish group to the Italian shipping company. The agreement between the parties involves the acquisition by Trasmed GLE, the new Spanish company owned by the Grimaldi Group, of five ferries for the transport of passengers and freight, a terminal in the port of Valencia, various warehouses, offices spaces and ticket offices in Valencia, Palma de Mallorca, Mahón (Menorca) and Ibiza, a terminal in the port of Barcelona, as well as the rights to operate on the shipping lines for the transport of

passengers and freight between mainland Spain and the Balearic Islands. The offices of the new company will be located in Valencia.

The deal gives Grimaldi the opportunity to expand its services to the islands, a major tourist destination, exploiting synergies with its existing businesses in the region. Limits on travel have seen more tourists take trips within their own countries - for example, Italians to Sardinia and Spaniards to the Balearics. Grimaldi's drive for competitiveness goes hand-in-hand with greater sustainability, with ongoing efforts to reduce fuel consumption and increase efficiency. This both delivers on the company's commitment to the environment, and helps it deliver lower prices to its customers.

"In the past ten to fifteen years, sustainability and the environment have been the driver of our success," says Emanuele Grimaldi, who is son of the company founder, Guido. We take it very seriously. We understood that you have two sides of the coin. On one side you see sustainability and the reduction of emissions; on the other side you also have energy saving. I now won't order a ship to be built if it is not 50% greener than the vessel I'm scrapping."

Grimaldi, who will take up the mantle of president of the World Shipowners' Association in June 2021, is now lobbying the International Maritime Organisation, a UN agency, to strengthen its support of sustainable practices in the sector.

In recent years, Grimaldi has invested upwards of \$2.25bn in new ships that are hugely more fuel efficient than their predecessors, consuming as little as one sixth of the fuel for the same mileage. Overall, the CEO says that the company has reduced its consumption by half a million tonnes of fuel a year, saving around \$340m



Emanuele Grimaldi
co-CEO - Grimaldi Group

- a substantial amount against its turnover of around \$4.5bn. At the same time, Grimaldi has eliminated using disposable paper and plastics - another move that both safeguards the environment and has a positive impact on the company balance sheet.

"These changes have helped in dramatically reduced our costs and enhanced our competitiveness," he says. "Even if the investments were sizeable, the return on investment was very swift, and has improved our resilience."

Indeed, the company's robust business model has allowed it to ride out the difficult pandemic period, and allowed it to build strong momentum in the recovery. The company is perfectly placed to benefit from the resurgence in tourism demand, operating as it does some of the biggest cruise ferries in the Mediterranean - Cruise Roma and Cruise Barcelona, each with passenger capacity of more than 2500, and first-class facilities that meet the demands of the modern traveller.

While criss-crossing the world's oceans with its expanding fleet, the Naples-based family-owned company retains its distinctly Italian flair, resilience, and adaptability.

"A lot of people appreciate Italian taste, Italian style, and indeed the Italian capacity of addressing difficult situations," says Grimaldi. "Apart from the beauty of our country, Italy has always navigated even through difficult times. I think there is a lot of originality in the Italian thinking. We were hit hard by covid, but we are now recovering quickly from the crisis - the prospects for the near future are excellent."



Reply - Artificial intelligence, cloud and big data pave the way for Italian digital services giant

According to preliminary estimates, Italy's economy rebounded by an impressive 3.8% year on year in the third quarter of 2021, driven by, among other things, a strong recovery in the services sector. The IHS Markit Italy Services PMI hit 55.5 in September, following steady growth in the proceeding months, though it dropped slightly to 52.4 in October.

This is a positive sign for the Italian economy overall, and is part of a global trend when it comes to the services industry, which is expected to grow significantly in the coming years, aided by changing market conditions and the growth of digital solutions.

One of those riding this wave is Reply, a network of companies specialising in the rapid design and implementation of innovative solutions based on new communication channels and digital media.

"For customers today, the difference in products and services is made through software, and going forward I believe it will be made through artificial intelligence, too. It's not easy finding specialized people for this work," says Tatiana Rizzante, Reply's chief executive officer.

Reply started as an engineering and software company back in 1996, but at the beginning of the 2000s added a digital experience aspect: designs, games, and later on virtual reality teams. "These are very complimentary technologies to the software tech and we managed to make both of them work really well together," says Rizzante.

Reply now delivers consulting, system integration and digital services to many of the major European industrial groups operating in areas including telecommunication, media, banking, insurance, energy and utilities, and public administration. It has been able to leverage entrepreneurship and talent to grow significantly, and saw a consolidated turnover of €1.1 billion in the first nine months of 2021, up 18.2% year on year, with a pre-tax profit of €150 million, up 31.9%.

"One element that's important is the fact that we have designed an entrepreneurial model and scaled it," says Rizzante. "Our sector is growing fast, with lots of ambitious young people. At Reply, we were able to keep this model that allowed us to stay in the age of innovation, to keep the energy that is in our sector but in an organized way."

Rizzante says the company is small enough to operate as a boutique consultancy, with tailored services, while also having the financial muscle to provide quality equivalent of large-scale multinational operations. One of its key selling points is that it is able to support multiple parts of a customers' business through its integrated services.

"We don't leverage and we don't outsource, what we do is advanced digital projects,"



Tatiana Rizzante
CEO - Reply

Mario Rizzante
Chairman - Reply

Filippo Rizzante
CTO - Reply

she says. "The result is high quality, a high percentage of success in large projects, with a speed that a small organization can't provide."

In recent years Reply has expanded strongly in the realm of artificial intelligence. "We started to build complimentary skills and were successful in making them work together, which is still one of our key differentiators compared to our competitors," Rizzante says. It currently focuses on developing business models enabled through technologies such as AI, big data, cloud computing, digital media and the internet of things (IoT).

Reply started to expand outside of Italy in 2007. "We wanted to go abroad to see whether our model worked outside of the country, and we saw there was space for a European service company," says Rizzante. They began with Germany. "We started to establish our model there and it went very well; this was one of our significant milestones, when we started to be successful outside of our home country." Reply is now also present in the United States, the United Kingdom, France, Benelux, Brazil, China and many more, and has almost 10000 employees across its various offices.

Looking forward, Reply's biggest opportunity is likely to come from the growth of digital and hybrid workplaces, and the automation of back office tasks. In fact, Rizzante believes that

automation, coupled with a growing digital workplace, will completely reshape the industry over the next few years, knocking down boundaries. "Currently, the digital services industry is divided between consulting teams like ours and some big, mass services," she says.

Reply has positioned itself in one of the fastest growing segments today. "We're currently a leading provider in Europe for cloud, we have the fastest-growing segment in artificial intelligence. We're very well positioned and are moving in the area where the market is growing fast - we're in the right place for the evolution of our services," she says.

Rizzante also sees positive change taking place in her home country. "The reality is that if you live in Italy the ecosystem is mostly made up of mid-sized companies, though this is changing," she says. "The number of Italian companies with multinational characteristics in the past was lower, and now a lot of people are actively working on creating good multinational companies. If you see the curve, and path that we've been on in the last few years, there's now an ecosystem that is growing. We're creating a culture for it, and Italy nowadays has a lot of potential."



Savino Del Bene - Italian global freight forwarding giant sees key opportunities post-pandemic

After a troubling 2020, the Italian economy is expected to grow by 6.3% for full year 2021, according to the country's national statistics bureau, up from a previous projection of 4.7%. This has been aided by an acceleration in domestic demand, as well as improvements in the overall global trade environment. Looking ahead, Italy's gross domestic product is expected to increase by 4.7% in 2022, up from an earlier estimate of 4.4%.

Meanwhile, the global freight forwarding market grew by 19% in the first half of 2021, with the overall market valued at €195 billion, according to Ti Insight, a leading provider of market research solutions for the global logistics industry. Growth was driven in large part by North America and the Asia Pacific region, which saw growth of 22.6% and 21.8%, respectively. Air forwarding experienced the fastest rise over the period, expanding by 26%, with sea forwarding up 10.4%, pointing to strong growth potential.

Future growth will strongly benefit existing players with well-established global networks and expertise. One such company is Savino Del Bene, an international freight forwarding company based out of Florence, Italy, which provides efficient, cost-effective solutions and multi-modal transportation services around the world. Savino Del Bene has grown from a small family business to a multinational industry leader.

Savino Del Bene has been operating for more than a century, having been established in 1899, and manages air, sea, and land transport services through long-standing relationships with the world's leading carriers. The company grew substantially in the decades after the Second World War, becoming a key national and then later a major international player.

"Our competitive advantage is that we are strong like a big company, but have flexibility like a small one. It's difficult to achieve this because the tendency is that as you get bigger you lose your flexibility," says Paolo Nocentini, president and chief executive of Savino Del Bene, who has been with the company for more than 64 years.

Back in 1985, Savino Del Bene had a turnover of €22 million. By 2010 this had risen to €800 million, and



Paolo Nocentini
President - Savino Del Bene

over the following decade it doubled to €1.6 billion. The company now has more than 4400 employees working in 289 offices across five continents.

Savino Del Bene now handles about 20% of all Italian exports to the United States, with offices and warehouses in 24 locations in the US alone. "The best country to do business with is the United States. Americans believe business has to be win-win, and it's also such an important market," says Nocentini.

To support the shipping and logistics process, Savino Del Bene has developed solutions for its clients that minimize risks, costs and distribution times, allowing it to offer specialized services for sectors including automotive and agricultural machinery, fashion, food and beverage, marble and ceramic tiles, pharmaceuticals and project cargo.

During the pandemic Savino Del Bene also opened up new branches in Sweden, Morocco and in North America, among others, with the US continuing to be the most important market for the company. It also strengthened its presence in Germany, with the opening of a new branch office in Bremen, and in India, with new branches in Kolkata and Visakhapatnam,

France (Marseille) and in U.A.E. - Dubai.

Going forward, Savino Del Bene is targeting expansion across most of its existing markets, largely through organic growth but also with the potential for strategic, smaller acquisitions if they make sense. "Our path of growth has been mainly organic to date, though we have made some small acquisitions too," says Nocentini. "While organic growth takes time, it is the best way. With acquisitions, sometimes it's difficult to integrate the companies and their respective business approaches and mindsets," he adds.

Nocentini also sees strength in retaining full control of the company. Savino Del Bene went public in 1996, but in 2003 it bought back all of its shares. A decade later the Company has tried to go public again, with mixed experiences. "Investors want to buy low and to double their money in five years. They were too aggressive, and we decided to stop," Nocentini says.

Savino Del Bene sees its employees as its main strategic advantage, with their skills and abilities recognized as true added value. "Every time I have the opportunity to make a speech I always point to the fact that it's very important to ensure that Savino del Bene offers a great working environment. You have to create a welcoming and decent place to work, and we always show our appreciation to our employees," says Nocentini.

Regarding his home country, Nocentini says Savino Del Bene is proud to be an Italian company, and to help grow the country's reputation across many sectors of the global economy. "Manufacturing is very important in Italy, but it's not unique," he adds. "However, our culture and food is different. We have a lot of diversity, and this diversity is something that makes our country rich."



E80 Group

The Italian company that is creating the factory of the future

Manufacturing has long played an important role in the Italian economy, with Italy being the second largest manufacturing nation in Europe, operating in sectors as diverse as tools, fashion, food, pharmaceuticals and automotive. Pre-pandemic, the domestic market for advanced manufacturing solutions was up 22% year on year in 2019, and is likely to continue as the government is allocating €13.4 billion in tax credits for investments in advanced manufacturing technologies.

This comes at a critical time globally, with the worldwide warehouse automation market valued at roughly \$15 billion in 2019 and expected to grow to around \$30 billion by 2026, according to research and advisory firm LogisticsIQ™.

One organization that both anticipated and drove this growth is E80 Group, an Italian company established in the 1980s that specializes in the development of automated intralogistics solutions for the manufacture of daily consumer goods, working with companies operating in the beverage, food, and tissue sectors in addition to other diversified areas.

While the last two years have been challenging for companies worldwide, E80 Group has long been prepared for the new working environment. "In 1992 we decided to establish our first integrated, digitized factory; over the past 30 years we have been developing smart factories around the world and have maintained them over time through 24/7 remote customer service," says Enrico Grassi, president of E80 Group.

E80 Group's systems now include palletizing robots, laser-guided vehicles, robotic stretch wrappers, empty pallet control systems, picking solutions and automated high-bay warehouses. The company has almost 300 integrated factories across various parts of the world and has installed over 2000 robotic systems and more than 5000 automatic laser guided systems to date.

"We started as an electronics company, not as a mechanics company," says Grassi, adding that this has helped them in many ways, especially in terms of perspective. "We felt the need to develop all the machinery ourselves, because the problem is not in manufacturing the system, but in managing the integration of systems and supporting them at speed throughout the life of the plant."

Part of E80 Group's success is that its solutions are scalable and designed to allow customers to respond to and often anticipate market demands. "Our laser-guided vehicles replace



Enrico Grassi
President - E80 Group

kilometers of conveyers, handling goods from processing to the warehouse and then on to shipping without any physical constraints," says Grassi. "As all our systems are synchronized via our unique software, SM.I.LE80, they adjust their activity to the mission they are assigned in real-time. It's like changing the engine on a plane without having to land it. We adapt to certain conditions, and we will continue to do so."

Grassi says they now have strong possibilities to grow vertically as well as organically, though they're not considering any acquisitions at this stage. "There are not many companies that could give us any strategic advantage at this point, but if some startup appears we'll react quickly, as long as it provides added value," he says. One key advantage for E80 Group is that it manufactures its own systems and software, helping it guarantee quality and reduced supply chain disruption.

Grassi says the main elements of the company's success have been passion and vision, followed by active and long-term engagement with its key partners. "I have summarized our success into five

letters: ECCUS - enthusiasm, competence, charisma, umiltà (humility) and saggezza (wisdom). You need these qualities to get started doing anything" he adds. "The most difficult thing to do in a company is not managing the market but managing the internal knowledge transfer. A company and the surrounding environment work well if internal communications work well. If they don't, it is impossible to engage the pillars of ECCUS and the company inevitably fades away."

In 1994, E80 Group opened its first subsidiary in the US. "The idea was that it was the strongest market in the world, and if we could succeed in America we could succeed throughout the whole world," says Grassi. The US and Canada account for over 50% of E80 Group's turnover, with the focus now on growing the US business even further.

Even so, the company is present in almost every major international market, with the exception of China and India. "We don't neglect other markets; each and every one is important for us, including Russia, because there will be moments for every market. Our strategy is to be global," says Grassi. In order to be closer to its customers, E80 Group has set up physical branches in Australia, Brazil, Chile, the United Arab Emirates, France, Mexico, Poland, Russia, Spain, Sweden, the UK, the USA and Thailand.

At the same time, as an Italian company, Grassi believes it is essential to strengthen the image of Italy abroad, especially when it comes to doing business. "I think that Italy has a problem that has been around for centuries - too many smart people in a relatively small place," he says. "There's a lot of local competitiveness in everything that emerges, and when there's a lot of that, companies that could become very successful in other countries often struggle here. We need to do much more to change this and support our creative and intellectual capacity."



Cartiere Carrara

A family business taking Italian paper production global

In early December global ratings agency Fitch upgraded Italy's long-term foreign-currency issuer default rating to 'BBB', with a stable outlook, while forecasting economic growth of 6.2% for the country in 2021, faster than previously expected. The ratings agency also predicted 4.3% GDP growth in 2022, due in part to "strong carry-over effects after the re-opening of the economy in mid-2021".

Meanwhile, the global tissue paper market is forecasted to grow at more than 6% a year over the next five years, according to market intelligence company RISI, with average consumption per person per year reaching 55kg. Global production is expected to be around 44 million tons this year alone.

This trend is likely to benefit existing market players with strong manufacturing and distribution networks. One such company is Cartiere Carrara, headquartered in the Tuscan region of Italy and one of the leading enterprises in Europe when it comes to the integrated production of tissue paper.

"We have been the number one producer of pure pulp tissues in Italy since 1976. We have witnessed all of the major developments," says Massimo Carrara, president of Cartiere Carrara. "My family started making paper in 1873," he adds. "The company is still run fully by my family: myself, my brother, and my sons Mario and Matteo. We are now the fifth generation."

With seven production sites and 730 employees, Cartiere Carrara currently has a production capacity of 300,000 tons of tissue paper a year, for use in offices, hotels, restaurants, bars, healthcare facilities, industries, as well as personal and domestic hygiene products.

While manufacturing is 100% in Italy, Cartiere Carrara now exports across the world, to more than 50 countries, with Europe remaining the main market. Even so, there is a continued push towards greater internationalisation, especially with the group's main brand, BulkySoft, which is targeted towards the professional market and Tuscany. La bellezza della carta and Maxi for the consumer market.

With restaurants and bars shut for months during the pandemic, Cartiere Carrara saw a slight decrease in business in 2020, but it was limited and the company is back to 2019 levels and beyond. "In 2020 we lost 3% of turnover compared to 2019," says Carrara. "This year, partly due to acquisitions, our turnover will be about 10-15% higher than 2019."

Today's company is the result of a merger between Cartiera Carma and MC Tissue. "We have grown a lot by acquisitions and by developing new businesses, new markets, new machinery," says Carrara.

Carrara says that, despite its long history, he still views Cartiere Carrara as a work-



Massimo Carrara
President - Cartiere Carrara

in-progress, albeit one with a strong growth potential for the future. The company is currently working on a three-to-five year plan, to be released in spring 2022.

"We are already considering new opportunities and hopefully we will be able to finalize some of these shortly," Carrara says, adding that they are looking to consolidate in markets where they have less of a strong presence. "We want to go step by step and look at Europe first: France, the UK, which is our away-from-home logistics hub, and Spain, which we have a lot of belief in - Spain in 2019 was second only to France when it came to tourism, with 83 million visitors. As a hospitality related company we need to be able to grow in those countries," he says.

At the same time, Carrara is aware that they need to keep striving and developing as a company. "We have huge knowledge of the business. We have good people. We have state-of-the-art machinery and a state-of-the-art facility," he says. "We are also probably one of the most sustainable companies operating in the tissue sector across Europe and are improving day by day our approach to sustainability. Today, when it comes to water consumption we are second to none in the sector, and this

is the same for electricity usage," he says.

Cartiere Carrara is currently busy finalizing an additional 2.5 megawatts (MW) of solar panels to be added to its facilities in Italy, which would be on top of the 1.8 MW it already has in place. In the previous years, the Group has invested in trigeneration plants as well for a total power of 30.2 MW.

At the same time, the company is working on a reforestation project that will eventually measure 200 hectares and contain an estimated 150,000 trees. "The plantation itself will be permanent," says Carrara. "We will plant different kinds of trees with different growth and cutting times to ensure forest coverage of the topsoil over time."

When it comes to Italy, Carrara sees important changes taking place. "You can see many things are happening day by day. Even with the pandemic they are working hard on what the country needs," he says. "The current prime minister, Mario Draghi, has given us a big chance. We have a unique opportunity to make Italy stronger, and I am proud to say my company is Italian."



Seda International Packaging Group

Pioneering the future of packaging for a better world

Italy's economy is on the way up, with GDP growth for 2021 forecast to be around 6.2% according to global ratings agency Fitch, and 2022 likely to see growth of 4.3%, in part due to the strong carry-over effects of the re-opening of the economy in mid-2021. At the same time, the global food packaging market is predicted to expand from \$338 billion in 2021 to \$478 billion by 2028, an annual increase of around 5.1% according to Fortune Business Insights.

With its mission to provide innovative, sustainable packaging solutions that improve the lives of millions of people every day, Italy's Seda International Packaging Group could be a major beneficiary of both these trends.

"Right from the very beginning of our company, we set ourselves the goal of excelling in innovation and sustainability across the ice cream, food and food service packaging sectors," comments Seda CEO Antonio D'Amato, who leads the Group together with his brother Gianfranco, Seda COO. "We are now one of the very few groups in the world able to produce a complete range of packaging solutions. We do cups and containers, flexible packaging and folding cartons, and have successfully and repeatedly pioneered new materials and products that have set world standards over the years," he adds.

Seda Group was established by Antonio and Gianfranco's father, Salvatore D'Amato, in 1963, at a time when Italy was going through a period of major industrialization. As the Italian economy grew, so did the company. "We started by producing ice cream packaging. The industrial production of ice cream in Europe was developing at that time," says Antonio D'Amato. "Most of it was based on Italian technology. So, each time an ice cream was invented, new packaging was required, and we were the pioneers in developing new packaging solutions for these different ice creams."

Seda Group quickly became a major innovator in the ice cream packaging industry, while also developing a wide range of additional products, constantly focused on sustainable paper packaging that differentiates food products in use, on the shelf and on the go. "We're the market leader in our fields," observes D'Amato. "The packaging we produce is exported all around the world, and more than 45% of our turnover is from products for which we either hold the patents or have very strong know-how and proprietary technology. Over 100 million consumers use a Seda packaging solution every day."

Antonio D'Amato explains that time to market is a strategic competitive advantage in a highly dynamic world, as well as the key reason why Seda's manufacturing facilities are located centrally in its main consumer markets. "When the fashion was to set up production in low-cost countries, we decided that wasn't right for us. We wanted to be actively present in our major markets to achieve superior customer intimacy and more effectively anticipate



Antonio and Gianfranco D'Amato

customer needs. So, we decided to have a manufacturing and logistics presence in Italy, Germany, the UK, Portugal and North America."

Seda Group now has 5 manufacturing platforms with 13 factories, the majority in Europe, and partners globally with some of the largest companies in the world of food, including Unilever, Nestle, McDonald's, Coca Cola and Starbucks.

Through the Seventies and Eighties, the Seda Group grew organically and through acquisitions, buying its major competitors in Europe as it expanded geographically. Since 1990, its strategy has been to pursue continuous sustainable growth through investing in greenfield projects, while also building a strong pipeline of proprietary technologies and innovation to bring to market. "We never stop investing and developing new materials, new products and breakthrough technology," comments D'Amato. "We are now seeing considerable acceleration in new products introduced to the market due to pressure from consumers for better, more sustainable packaging that is not just recyclable but actually recycled."

D'Amato adds that Seda is able to leverage its manufacturing and technology know-how to make packaging shapes that no one else can produce.

Seda Group has been focused on sustainability from the very beginning. "Our strategy has been to do whatever we can in paper and

only use plastic when demanded by specific product requirements," explains D'Amato.

Today, over 90% of the Group's materials come from renewable sources. "We've been very active in supporting and developing the circular economy and have achieved a very high rate of paper packaging recycled today. This is one of the projects we've worked hard on since the very beginning in all the different countries we operate in, and it has brought rewarding results along the way: paper packaging already met the European Commission's 2030 recycling target in 2019!" comments D'Amato.

When it comes to Italy, D'Amato points to the general perception of Italy versus the reality. "Italy has a top reputation in terms of art, quality of life, food and fashion. Everybody wants to spend their holidays here," he says. "But people still don't always get how strong the country's manufacturing and technological pipelines are," he observes. "Now that the global trend following the pandemic is to reshore manufacturing in major markets, Italy is a very attractive proposition for foreign investors due to its geographical location and high-quality human resources. The Draghi Government is introducing important structural reforms and bringing new drive to Italy. We can and need to be a major player in building a better, more competitive and more unified Europe."

Azimut|Benetti Group

Steering the future of luxury yachting

Italy's resurgent economic growth is underpinned by its high-quality, export-oriented manufacturing base. The sector is thriving in 2021: Italian manufacturing growth hit its highest levels on record in November 2021 when its Purchasing Manager's Index rose to hit 62.8, up from 61.1 in October.

The health crisis brought unexpected windfalls to many industries, and yachting was one of them. According to a recent forecast released by Confindustria Nautica, the Italian Marine Industry Association, the Italian yachting market is forecast to grow by between 18.8% and 23.8% this year, bringing its total global turnover to between €5.5 and €6 billion, against €4.7 billion in 2020. Order books are filling up as the rich and famous seek a safer way to see the world, and the luxury yacht market in particular is slated for a period of major expansion. Compound annual growth is forecast at 11.3% in the years to 2025, and leading Italian yacht maker Azimut|Benetti Group is already feeling the benefits of soaring demand - as evidenced by its top position on Boat International's 2022 Global Order Book ranking, for the 22nd year running.

Established in 1969 when Paolo Vitelli, a young university student, began chartering and sailing boats, Azimut|Benetti has risen to become the pre-eminent player in the luxury yachting market. More than 50 years later Vitelli, still President of Azimut Benetti Group, attributed his success to a strong focus on internationalization and innovation.

"We have always been forward thinking, from the very beginning. I was a pioneer of production organization. I liked the idea that a boat has to be built for a large public at a cost and with a certain efficiency. We wanted to make the product efficient and cost-effective," he recounted.

Originally active as a distributor for prestigious yachting brands during the 1970s, the company quickly expanded its operations and began designing new boats, launching its first model, the AZ 43' Bali, in partnership with Amerglass. The mass-produced fiberglass vessel was an immediate success, and Azimut grew in leaps and bounds from there as exports kicked off.

Azimut added the AZ 32' Targa, the "Model T" of the boat world, to its lineup in 1977, and followed up with the Azimut



Giovanna and Paolo Vitelli.

105' Failaka in 1982. At the time it was the world's largest fiberglass yacht. In 1985 the company acquired the historical Italian brand Benetti, which has been building boats in the Viareggio region since 1873. With the purchase, a new concept was born: the megayacht. The arrival of massive luxury megayachts saw the company pioneer what are now industry standards, including large, frameless windows, electric seats, and walnut interiors. From the late 1990s onwards, following the acquisition of boat yards in Fano, and the construction of a new site in Avigliana near Turin, Azimut|Benetti Group became the world's foremost builder of yachts and megayachts.

Innovation and sustainability have played critical roles in the Group's growth story, and investment in new technological and production capacities at new sites in Brazil has paid off. Azimut|Benetti's s proprietary CFD software has allowed it to develop a database of correlations between virtual and tank tested models

that is unmatched in the industry. The company's R&D team is also leading the way in structural design, noise reduction, vacuum infusion processes, vinyl ester applications, and dryfell exterior cushions, among others. Investment in digitalization also proved to be a major benefit during the Covid-19 pandemic, according to Vitelli:

"We are probably the number one shipyard also in terms of digital sales since, during the pandemic restrictions, we were one of the first yachting brand to host a digital show and to sell boats digitally,

Our pioneering approach led us to the constant introduction of innovative models and new design solutions, with the aim to always improve life on board and to reduce the impact on the environment. Today, owners and yacht enthusiasts continue to choose us because, besides innovation, we are able to guarantee maximum quality and exclusivity."

The company's keen focus on sustainability has also seen it become one of the first in the industry to truly implement sustainable practices in luxury yachting, most recently through a new model Vitelli designed himself: B.Yond 37M, which maximizes efficiency using innovative propulsion systems. Other hallmarks of innovation released during the last year alone include the Azimut Trideck, which sold more than a dozen units in just six months, and the Benetti Oasis 40M, one of the few 40-meter yachts to feature an expansive and expandable aft deck with a flush-deck, integrated pool near the water's edge.

Today the company's order book is jam-packed, which has given Vitelli and his team something truly special - time and space to level up its innovation:

"We have a clear line of sight to a good future. Our orders are covered from 30 to 60 months. This gives us the capacity to invest in something else during this period. We're not just on the ground selling boats, we're investing in product efficiency, in quality, in service, and in how to become more modern in our production," Vitelli concluded.

Ignazio Messina & C.

Riding the wave of the global shipping boom

Maritime shipping demand is sky-rocketing as the global economy re-opens and pent-up demand hits supply chains hard. An estimated 90% of goods travel by sea, and maritime shipping volumes are forecast to rise by 4.2% this year to hit 12 billion tons, well above pre-Covid-19 levels. Italy's maritime and shipping industry is riding a wave of new growth; the European Commission reports that it is the EU's most significant short sea shipping country accounting for 15% of total tonnage, and seaborne shipping at Italian ports rose by 3% in Q1 2021, with growth set to accelerate as global demand rises. Specialized shipping firms such as Ignazio Messina & C. are benefitting from the boom.

Ignazio Messina & C. is a leading Italian shipping company with a long track record of success. Its history dates back to 1921, when Giuseppe Messina first launched a company serving routes to Africa, and in 1929 the company was officially established. Although World War II took its toll on the business, the Messina company began acquiring ships again in 1960, launching services to ports in the Maghreb, the Red Sea, and the Gulf of Arabia, and expanding its services over the decades.

Together with its management holding company, Gruppo Messina, the company provides regular line services connecting the Mediterranean to Africa, the Middle East, and the Indian subcontinent, as well as Europe. Business is booming because of the company's unique specialization in ro-ro - roll-on, roll-off - shipping services, as Stefano Messina, Executive Vice Chairman of Ignazio Messina & C. explained:

"What is happening with the explosion of the commercial trades worldwide, in particular from the second quarter of 2020- when China restarted after the first management crisis of Covid- is that the world's infrastructure is not ready, and this has developed into a difficulty for the supply chain. In this moment, Messina fleet is taking opportunity and profit from this fact, because it doesn't need a specialized port; it's enough to have a deck upon which to put the external ramp and to operate. This is a great asset for us right now. The service we're giving to our clients is excellent and appreciated."

Ignazio Messina & C. currently serves more than 50 ports supplying 40 different countries, benefitting from an expansive and efficient ground logistics system serving more than 100 inland destinations. Operating out of Genoa, Italy, the company employs globally more than 1000 people including, commercial offices in Modena and Naples, three inland Terminals (Segrate, Vicenza, Dinazzano), representative offices



Management of Ignazio Messina & C.

in London, Barcelona and Valencia, and owned agencies in Marseille, South Africa, Senegal, Kenya, Uganda, Mozambique, and Tunisia (where the company manages also two more logistic companies).

Its competitive advantage stems from significant recent investment in its ro-ro shipping fleet. In 2009, Ignazio Messina & C. signed a \$300 million agreement with the Korean shipyard Daewoo to build four new ro-ro container units, which were designed to be the largest such vessels in the world. The first of its new ships, the Jolly Diamante, was delivered in December 2011, followed by the Jolly Perla and Jolly Cristallo in 2012, and the Jolly Quarzo in early 2013. Another order for new ro-ro units was signed in 2012, and in 2014, the Jolly Titanio was added to the company's fleet, with three additional twin ships following in 2015.

Ignazio Messina & C. invested a total of €500 million between 2011 and 2021, and it is now the undisputed leader in its field from Europe and vertically down because it ships what other companies cannot, as company president Andrea Gais highlighted:

"Our main asset is reliability. Thanks to the network we created over the past years, we're present and efficiently active in many markets with our logistics and port services, among others. With the ro-ro, we were able to go to African and Middle East ports that are

extremely difficult to serve, and in the years since we've discovered while a lot of cargos today are in containers, there's the need for other kinds: project cargo, trains, trucks, etc. Even today, we consider there's value in the possibility of utilizing these kinds of ships."

Having already achieved enormous success across its existing operations, the company is now turning its attention to expanding its global footprint. At the tail end of a phenomenal year, in which turnover exceeded \$300 million, and earnings before interest, taxes, depreciation and amortization hit over \$50 million, Ignazio Messina, CEO of the company, said the business is seeking both new customers and new further expansion. Its formula for success has already paid off, and after 10 years of challenging times, it's time for new growth:

"Today we are giving the security that if we load on board, we discharge in a timely manner. We therefore don't suffer congestion and are never late. We can promise that the cargo will be loaded and delivered on time to its destination because of our logistic network: from the trains and trucks to the terminals, to the vessels and to the discharge operation. We have the whole network, and our strength is our people!"

1921
2021



Ignazio Messina & C.

Financo Group - Rising to the challenge of Ecological Transition

Lifting its forecast for GDP growth to “a robust 6.2%” in 2021, ratings agency Fitch gave the Italian economy a resounding vote of confidence in November, upgrading the country’s sovereign rating to BBB. Fitch expects the economy to return to pre-pandemic levels as early as the first quarter of 2022.

This excellent economic performance is driving double-digit growth in the construction sector, which is forecast to expand by 12% in 2021, with around 50% of the €224bn EU Next Generation funds earmarked for construction, according to Atradius Collections. The European Commission estimates that the industry accounts for nearly 19% of Italy’s GDP, making it a crucial part of the recovery.

This resurgence across the board will be welcomed by Financo Group, a long-established Italian family business. With a core business of cement and concrete manufacturing capacity around the world, as well as transport and logistics operations, and a range of diversified activities ranging from media to hotels, Gubbio-based Financo epitomises Italian businesses’ innovative and international approach.

“Our company was founded by four brothers in the 1960s, and is now on three continents, in 7 countries and with over 2000 employees” says Financo president Francesca Colaiacovo. “The company was founded on paying great attention to three elements: a passion for the craft typical of Italian entrepreneurs; attention to technology and innovation; and attention to the final customer.”



The company produces 3.7m tonnes of cement a year in Italy alone. It is expanding its presence in the Caribbean in particular, where it is completing a US\$ 120m investment in the Dominican Republic; it also operates a grinding plant in Haiti and an import terminal in Jamaica and is eyeing opportunities elsewhere in the region.

Financo Group’s values underpin its operations everywhere it has invested around the world.

“We didn’t just export technology and our know-how, we also exported our culture, our way of working with the local staff and communities,” says Francesca Colaiacovo. “You just don’t move cement plants, investments are long-term, they have to have roots in

the local communities and environment.”

This is reflected in Financo’s approach to sustainability. Its cement division, Colacem, is committed to proper management and sustainability of mining areas, a reduction in emissions through technological processes, and minimising waste, guaranteeing long-term energy savings, while concrete business Colabeton has developed “green” products with minor environmental impact always more concretely promoting a circular economy.

“We now face the challenge of decarbonisation,” says Francesca Colaiacovo. “It’s a commitment we face with the same attention that we place on new technologies, looking for state-of the art solutions and alternative fuels, that we implement across the whole production process. We believe man can and must live in harmony with nature.”

This philosophy is reflected in Financo Group’s logo, which represents the Wolf of Gubbio, who according to legend terrorised the city before being tamed by St Francis of Assisi. The logo also exemplifies how this “pocket multinational” remains grounded in its homeland.

“Italy is one of the top industrial nations in the world,” says Francesca Colaiacovo. “We have an impulse to change things, we are dynamic, and we will be the prime players during the ecological transition to decarbonisation.”



Colussi Group

The Italian agri-food player eyes international expansion

The agri-food sector continues to play an important role in the Italian economy, with agriculture contributing around 2% of Italy’s GDP. Meanwhile, according to the country’s national statistics bureau, Italian exports of non-durable consumer goods, of which food and drink constitutes a major share, grew by 6% year-on-year in August 2021. Italian food exports are expected to reach €50 billion in 2021.

This trend is being driven in part by major food producers like Colussi Group, a family business operating in the food sector. Colussi Group operates across 13 different product categories, including dried pasta, biscuits, bread substitutes and cereals, and has ten production plants, six of which are in Italy, and over 300 million euro sales a year.

“Last year for us was an extraordinary year, especially abroad, with very high demand,” says Angelo Colussi, president of Colussi Group. “This year, commercially, has been about adapting to the ‘new normal,’ and we’ve been able to cover the market needs thanks to our flexibility and adaptation. Flexibility and adaptation, together with our workforce, are our key success factors,” he adds.

While Colussi Group can trace its roots back to 1791, the group’s industrial journey really began in 1911, when founder Angelo Colussi opened a small bakery in Venice. The group is now made up of nine brands, including Misura, Saponi and Agnesi, with its products sold across more than 70



countries. “We’re a very well-established company in Italy, with a long heritage covering different sectors of different businesses, from cookies to pasta to dietary products,” says Colussi. With such strong tradition the company is investing a lot towards the sustainability aspects, such as the plastic reduction of its packages: as part of

this Colussi has been the first Italian food group to create compostable packaging for some of its retail products, introducing 100% compostable packaging for its Pasta Agnesi brand earlier this year.

At international level Colussi Group has expanded heavily over the years, and in 2007 it set up production in Romania, and in 2009 entered into a joint venture in Russia with a major local importer to produce locally. “Our growth can come in different ways,” says Colussi. “In Russia it was necessary to have a joint venture, in Europe we’re investigating acquisitions, as well as joint ventures. We’re also open to partnerships outside of the continent.”

Outside of EU, the group plans to focus primarily on the USA and UK markets. “In the USA and UK we have a commercial presence already but not a significant one yet, and that’s why we’re looking at those markets,” says Colussi. “We can be a platform to develop new products, while optimizing logistics channels.”

When it comes to his home country, Colussi sees strong positives. “Italy has seen ups and downs over the past years, but now it has strong credibility and is going firmly in the right direction,” he says.

