

Italy - Driving a sustainable future through innovation

Italy's economy is expected to grow by 0.6% this year, according to the Bank of Italy, which revised its previous forecast of 0.4% to align with the government's official projections. Taking stock of Italy's strong rebound from the pandemic, the bank forecasts economic growth of 1.2% in 2024 and 2025, noting solid exports and rising domestic consumption as fundamental driving forces. Indeed, as early as 2021, Italy had already exceeded its average annual pre-pandemic inward FDI levels by 33%, far outpacing its European counterparts, with cross-border M&As up by 14%, according to a September 2022 report by the London School of Economics.

Italy elected its first female prime minister, Giorgia Meloni, in October 2022. In her maiden speech as prime minister, Meloni promised "lasting and structural economic growth" whilst highlighting "Italy's favourable position in the Mediterranean... a strategic asset for the whole of Italy and in particular for the development of the South." Meloni also restated her government's commitment to reducing business-related bureaucracy to "give a boost to the economy, growth, and investment."

Approved in December 2022, Meloni's 2023 budget echoed these sentiments, setting out fiscal incentives to encourage open-ended employment contracts and €35B of extra spending and tax cuts. Additionally,



Giorgia Meloni
Prime Minister of Italy

the budget offers Italian businesses 12 tax amnesties and reduced penalties for missed payments to encourage economic security, with Meloni declaring it to be "courageous in the sense that it bets on the future."

Hailed as a "driving force" in global sustainable development by the OECD for linking "international engagement with its domestic expertise," Italy is harmonizing its diverse regional strengths to safeguard energy prices and accompany businesses in their green transition. "We need a system that protects Italian know-how and technology. Aside from government measures, we're tackling the energy crisis through the private sector. Italian businesses understand that

they can't rely on government subsidies forever and are prepared to lead the way," says Prysmian Group's CEO, Valerio Battista.

Meanwhile, Italy has secured its place as the world's fifth-largest manufacturing economy through investing in advanced technology like industrial automation. Today, it remains one of only a few countries to hold an export trade surplus for manufacturing goods amongst developed countries, according to the Italian Trade Agency. Supplying high-quality, intermediate products tailored to the needs of global partners, Italy is a world leader in a range of competitive industries - from industrial machinery and metals to chemicals, aerospace engineering, and plastics. Moreover, for many multinational companies, Italy represents the gateway to more than 500 million high-earning consumers across the European Union, with its extensive infrastructure giving them fast and easy access to 30 national markets within the European Economic Area.

"Italy is a wonderful country renowned worldwide for its iconic food, fashion, sports, and automotive industries. Our economy is supported by small and medium-sized companies - many family-owned, like Bonomi Industries - guided by passion and ingenuity. International investors can use Italy as a hub not only to conquer the Italian market but the European one too," says Bonomi Industries' CEO, Sandro Bonomi.

Bonomi Industries

The trusted global provider of valves and actuators

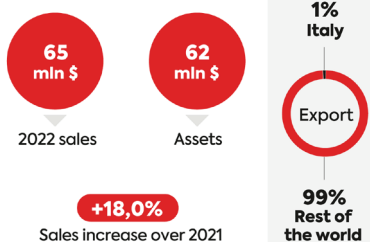
According to the World Bank, Italy's economy is the eighth-largest in the world, with a GDP of \$2.1T in 2021. Italy offers foreign investors easy access to the European Single Market's 500 million consumers, the Middle East, and North Africa, and the country ranks 7th on the global FDI Confidence Index.

Italy's economy is Europe's second-largest manufacturing economy, accounting for 16% of the EU's total value of sold industrial production in 2021, according to the European Commission. Most of Italy's manufacturing occurs in the northern part of the country, where a cluster of SMEs and passionate, family-owned enterprises have built and up and exported the internationally recognised "Made in Italy" brand.

Founded in 1954 and based in Brescia, Lombardy, Bonomi Industries is a highly reputed Italian manufacturer and global provider of quality valves and actuators for industrial and residential applications.



GROUP FIGURES



Bonomi Industries' global expansion has been rapid and highly successful. In the 1970s, the founder Silvio Bonomi supplied manual valves to Germany, the UK, France, Australia, and Japan, before entering the US market in the 1980s by supplying the Massachusetts ball valve specialist, Jamesbury - started by Mr Howard Freeman, the inventor of the ball valve. "Our experience catering to multiple industries worldwide has allowed us to adapt our products for any international customers using brass. It's been a success story. My father has been a visionary in this respect," says Bonomi Industries' CEO, Sandro Bonomi.

Today, Bonomi Industries' priorities remain fundamentally the same - international expansion and efficient production - and the company is ideally positioned to benefit from the surging demand for electric and pneumatic actuation

as factory and residential automation takes off. According to Luciano Bonomi, COO, "the biggest actuation opportunities are in countries with a solid industrial base, like Germany," and "whilst limited now, their applications are only going to grow."

Bonomi Industries' order portfolio has significantly increased since 2020, and nearly a third of the company's business is now with OEMs. For Sandro Bonomi, this testifies to the company's talented, flexible workforce. "We're not only training our people in production but, more importantly, engineering and sales - that's been the key to our most recent growth," he says.

Whilst family-owned, Bonomi Industries is open to strategic partnerships. At present, the company is looking for actuation and distribution partners for its RuB brand. RuB is a highly reputed brand globally known for its quality flow control valves, such as ball valves, mini valves, side drains, and venting, and guarantees a lifetime warranty across its product range. All RuB valves are made using sustainable raw materials and are rigorously tested as part of its signature 'double-test,' safeguarding the planet and giving peace of mind to its customers.

Italy has long been a springboard to conquering the European market, and family-owned companies like Bonomi Industries embody the intensely competitive spirit that has transformed many of its regional successes into global players.



Prysmian Group

Frontrunner in the race to net-zero

Italy houses the third-largest eurozone economy, which the European Commission (EC) has forecasted will grow by 3.8% in terms of real GDP after exceeding pre-Covid-19 levels in Q2 2022. Alongside the decision to lift pandemic-related restrictions, the EC praised Italy's robust policy measures to mitigate the effect of Russia's war with Ukraine, which resulted in a solid growth performance across the first three quarters of this year. Going forward, Italy is set to ramp up its public spending as part of Next Generation EU and the National Recovery and Resilience Programme, seeking to enable a more adaptable, greener economy for the future.

Since 1990, Italy's total CO2 emissions have decreased by 29.58%, and today's government has placed energy and the climate at the centre of its political agenda. In 2017, the Ministry of Economic Development and the Ministry of Environment announced an ambitious National Energy Strategy (NES), setting a target for renewables to reach 30% of total energy consumption and 55% of electric generation by 2030. However, simply investing in the production of renewable energies does not necessarily mean a proportional boost in their consumption - a network capable of supporting it must accompany it.

Prysmian Group is a public company and world leader in the energy and telecom cable systems industry, with 29,000 employees in more than 50 countries and total sales numbering €12B. The rapid post-Covid recovery, together with the impact of strong drivers like electrification, energy transition and digitalisation, allowed the company to mark the best quarter on record for the group, with net profit surging by 69% to €431M, organic growth by 15%, and its project order pipeline racing to a record €6.85B.

According to Prysmian Group's CEO Valerio Battista, the group's future prosperity now lies in enabling the global transition to renewable energies and addressing the underlying problem of network overcapacity. "We need to end our dependency on fossil fuels - not just for geopolitical protection, but also to reduce our carbon footprint. To do this, we need to improve the infrastructural links between renewables and consumers," he says.

Prysmian aims to accelerate the global energy transition by catalysing worldwide support for smarter power grids through eco-friendly cable technology. Prysmian is currently engaged in development of iconic milestone project: the NeuConnect interconnector, which will transfer energy between the UK and Germany; the cabling of the two mega offshore wind farms in Germany; installation of the Lightning Project in the Middle East and the two new submarine interconnections between two Canary Islands and between Spain mainland and Ceuta in North Africa.

Worth of mention is the successful completion of the North Sea Link, the world's longest submarine electricity interconnector between the UK and



Valerio Battista
CEO

Norway, whereas in the offshore wind farms cabling business cable-laying operations began at Vineyard Wind 1, the first wind farm in the USA.

In the high voltage underground cable and system segment, the Group continued to produce the German Corridors cables and it was recently awarded the SuedOstLink extension project, worth around €700 million.

The projects, that include SuedOstLink, SuedLink and A-Nord, which collectively form the basis of the world's largest underground cables project, were already secured by Prysmian for an amount of over €1.5 BLN and are currently under execution.

Representing 44% of the total cables required to transfer wind energy generated in the north to millions of consumers in the south, Prysmian will lay 2,300 km of high-voltage direct (HDVC). "The population needs energy - that will never change - but we must start developing a robust renewable energy network capable of supplying it," says Battista.

Prysmian is committed to strengthening its competitive positioning through investments and new technology development and going forward, it is open to further international expansion in strategic markets to maximise technological innovation, increase customer standards, and enhance supply chain efficiency. "We tend to evaluate the size of the market not

in terms of money, but volume," says Battista. Currently, in the first 9 months in 2022, Europe, the Middle East, and Africa (EMEA) account for 46% of Prysmian's business, whilst North America accounts for 37%. Prysmian also has a highly successful track record spanning 80 years in Latin America and operates 13 plants for the production of telecommunications and internet cables across Argentina, Brazil, Chile, Columbia, Costa Rica, and Mexico.

Since being listed on the Italian Stock Exchange (Borsa Italiana), Prysmian's share price has increased by 123.5%, and the group has recorded a total shareholder return of 68% over the past 3 years. Prysmian is constantly looking to re-invest and leverage its financial prosperity to help support its ambition to become Europe's leading energy transition enabler. Alongside a €200M cable laying investment to support the USA's first large-scale wind farm - Vineyard Wind 1 - in 2021, Prysmian invested more than €100M in Finland to build its flagship net-zero Pikkala plant.

Accelerating Prysmian's commitment to decarbonisation via a breakthrough biomass solution, the Pikkala plant enables the group to action several of its Sustainability Scorecard goals for 2022 - such as recycling two-thirds of its waste - and will be a solid asset to the circular economy.

Ultimately, aside from gaining access to more than a century's worth of industry leading know-how, aligning with Prysmian, either as a partner, investor, or client, also means aligning with an ethically driven corporate culture based upon integrity and human rights, diversity, and environmental protection. In 2021, Prysmian approved its Social Ambition and Climate Change Ambition pillars, committing itself to gender equality, local community empowerment, and digital and ethnicity inclusion.

Companies like Prysmian will be key to unlocking Italy's energy transition, especially in helping the government move from short-term subsidisation to long-term sustainable action. Italy is preparing for the next decade by rallying its public and private sectors, and the country's 60-million-strong consumer market makes it the ideal destination for international investment.