F&B Sector

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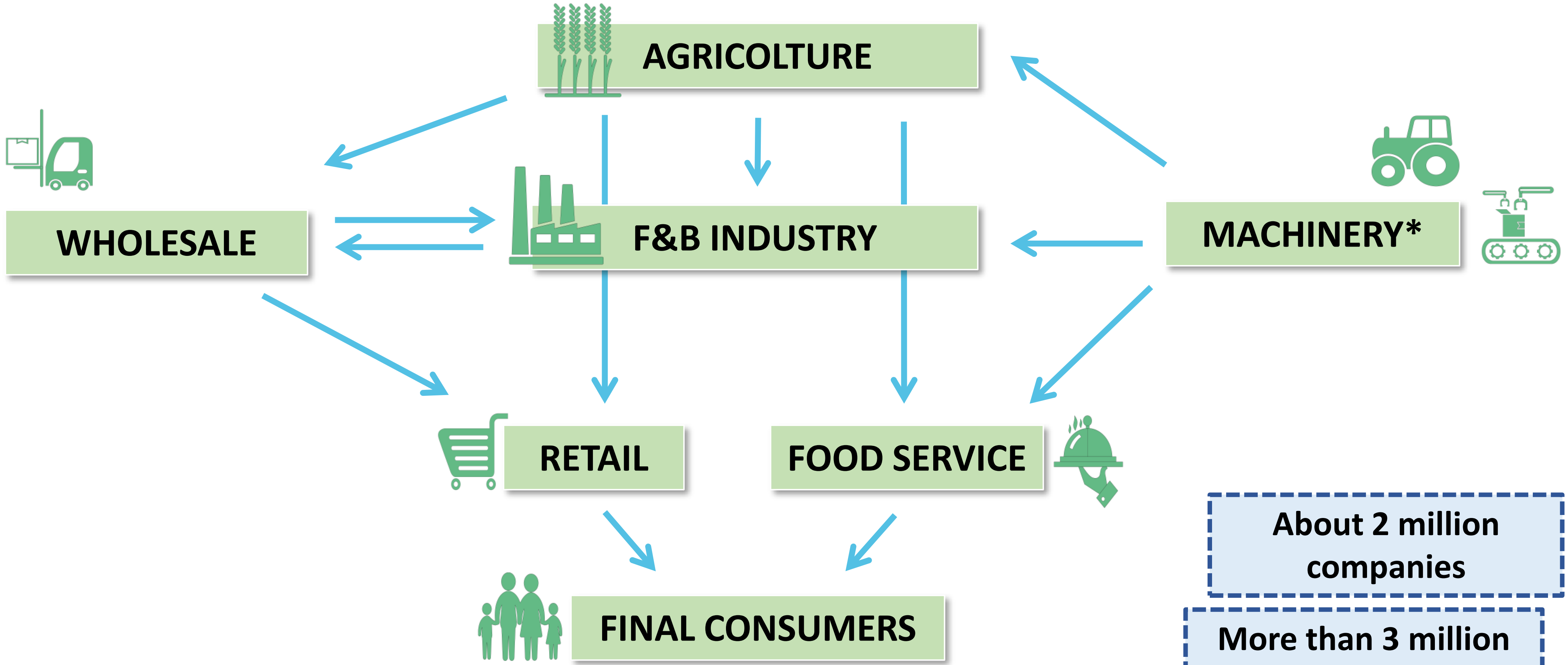
ITA
ITALIAN TRADE AGENCY
ICE - Agenzia per la promozione all'estero e l'internazionalizzazione delle imprese italiane

Ministero dello Sviluppo Economico

SECTOR OVERVIEW

The extended Italian agrifood supply chain



About 2 million companies

More than 3 million employees

In 2015 the extended agrifood industry generated a value added of about € 130 billion, equivalent to 9.1% of GDP

Source: Nomisma-Crif Agrifood Monitor elaborations and estimates based on Istat, Eurostat, UCIMA, Federunacoma and CRIF-Cribis D&B data

*Machinery for agriculture e F&B industries, packaging machinery

Italian F&B industry: figures and performance

Italian F&B industry figures (2015)

Turnover

€ 132 billion

Value added

€ 25 billion

Employment

385,000 people

850,000 (agriculture included)

Companies

58,000

12% have more than 9 employees

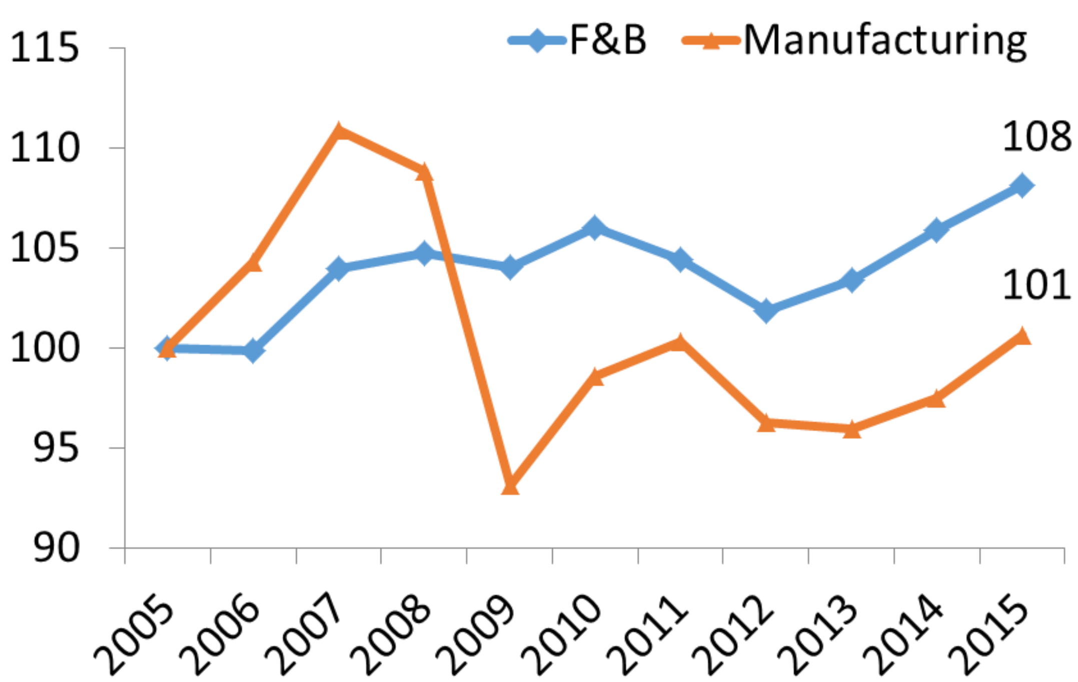
Consumption*

€ 230 billion

Agrifood export

€ 37 billion

Value added trend (index numbers; 2005=100)



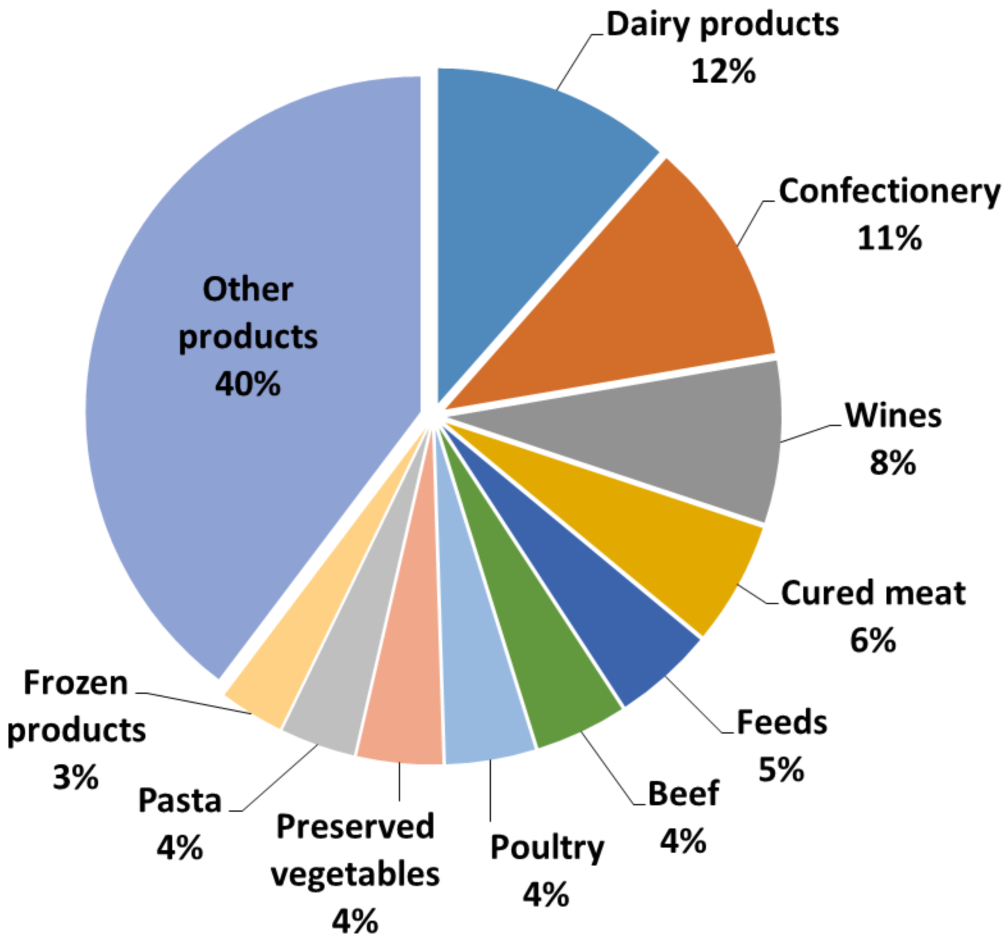
F&B represents the second-largest manufacturing sector in Italy in 2015, after mechanics: 12% of employment, 11% of value added and 8% of export

*Total F&B consumption in Italy (at home + away from home)

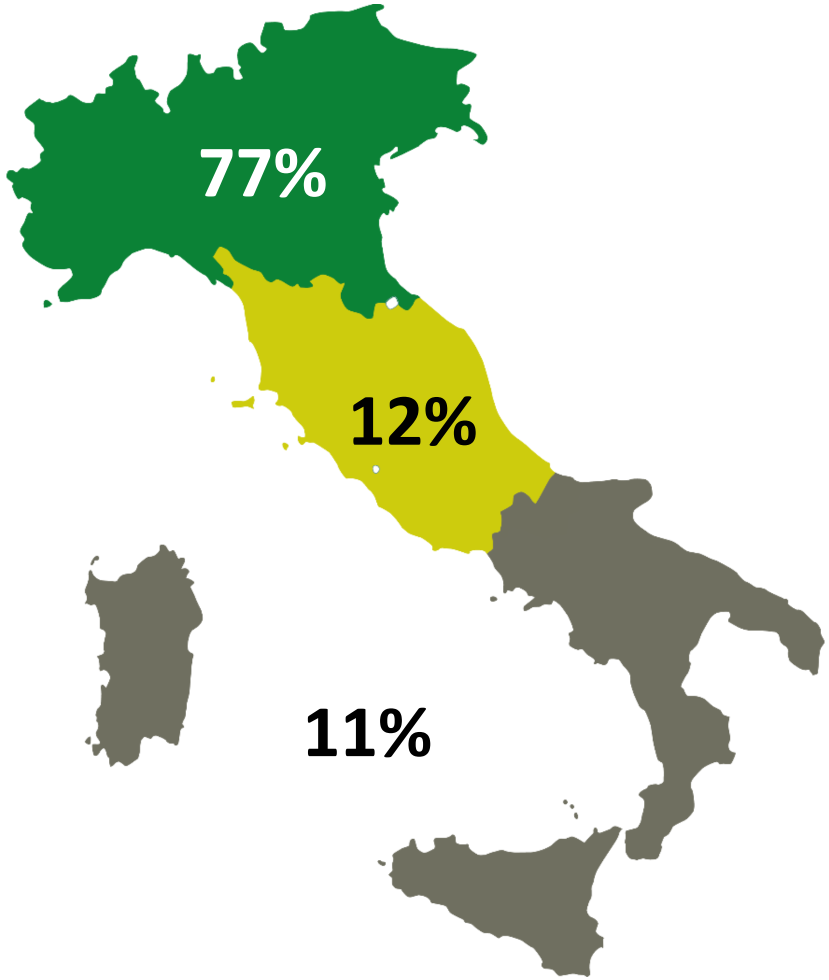
Source: Nomisma-Crif Agrifood Monitor on Federalimentare and Istat data

Italian F&B industry: product differentiation and geography

Distribution of the Italian F&B industry turnover per product (2014)



Distribution of the Italian F&B industry turnover per macro-region (2014)



Source: Nomisma-Crif Agrifood Monitor on Federalimentare and CRIF-Cribis D&B data

Made in Italy: the role of quality certification schemes

- ITALY HAS THE HIGHEST NUMBER OF PRODUCTS WITH QUALITY CERTIFICATION SCHEMES (I.E. GEOGRAPHICAL INDICATIONS, SUCH AS PDO/PGI AND TRADITIONAL SPECIALTIES)
- TOTAL PDO/PGI VALUE OF PRODUCTION ≈ € 13 BILLION

FOOD - VALUE OF PDO/PGI PRODUCTION
€ 6.4 billion

- Almost 300 products, Italy #1 EU member in terms of number of registered products (e.g. Grana Padano, Parmigiano Reggiano, Prosciutto di Parma, Prosciutto San Daniele)
- More than 80,000 companies
- Cheeses and cured meat = around 85% of total DOP/IGP production value

WINE - VALUE OF PDO/PGI PRODUCTION:
€ 7.0 billion

- PDO/PGI wines represent about 2/3 of the total Italian production value
- More than 500 wines with a registered quality certification scheme
- Leading PDO wines: Prosecco, Montepulciano d'Abruzzo, Chianti, Asti

ORGANIC FOOD PRODUCTS:
€ 2.7 billion

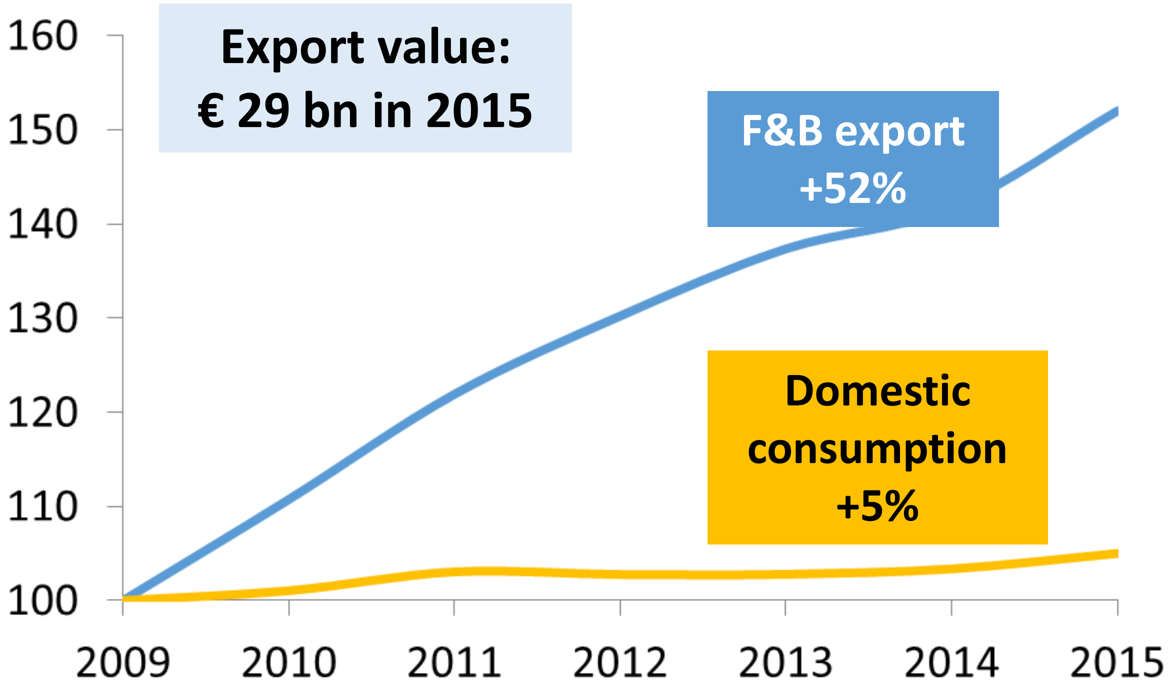
- 1,5 million ha (+7.5% compared to 2014; 12% of the total Italian agricultural surface)
- 60,000 companies (+8.2% compared to 2014)
- 69% of Italian people bought organic food products at least once in 2015 (+2.5 million of family buyers compared to 2014)

Source: Nomisma-Crif Agrifood Monitor on Istat, Qualivita and Ismea data

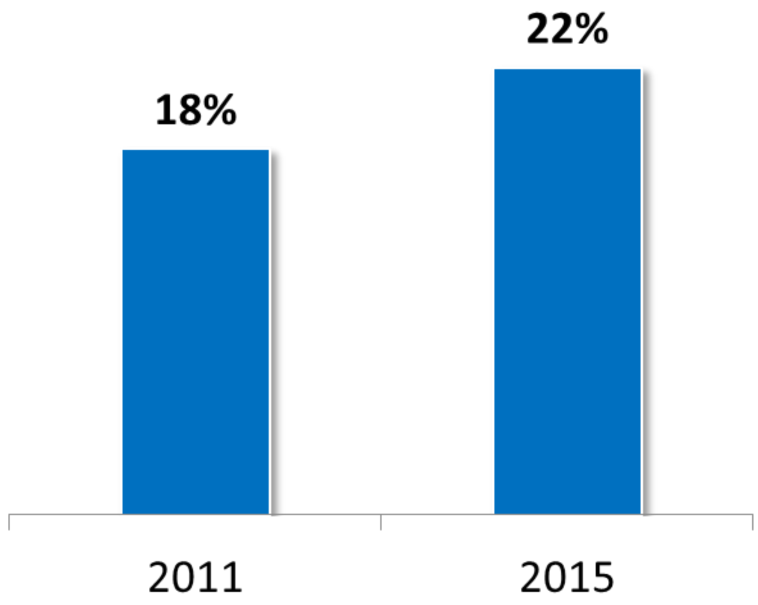
MARKET TRENDS

Exporting is increasingly important for Italian F&B companies

Trend of Italian F&B domestic consumption and export
(index numbers, 2011=100; current values)



Export intensity in F&B industry
(export as % of revenue)

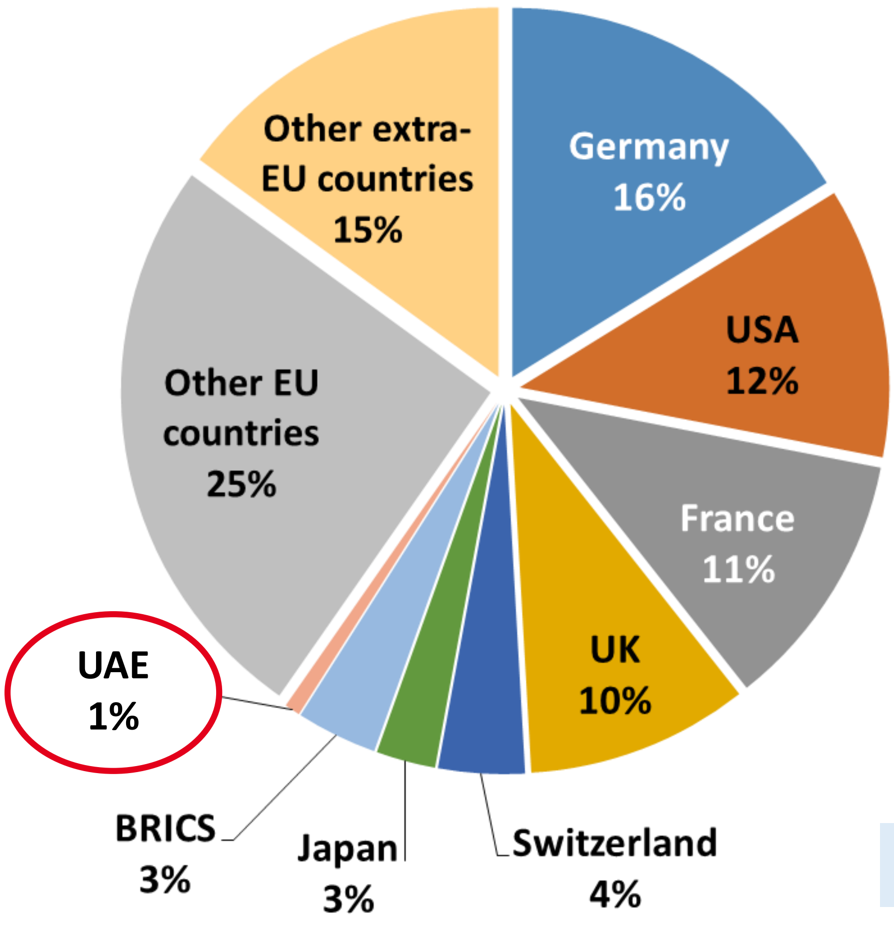


Stagnation in the domestic market but exports keep growing

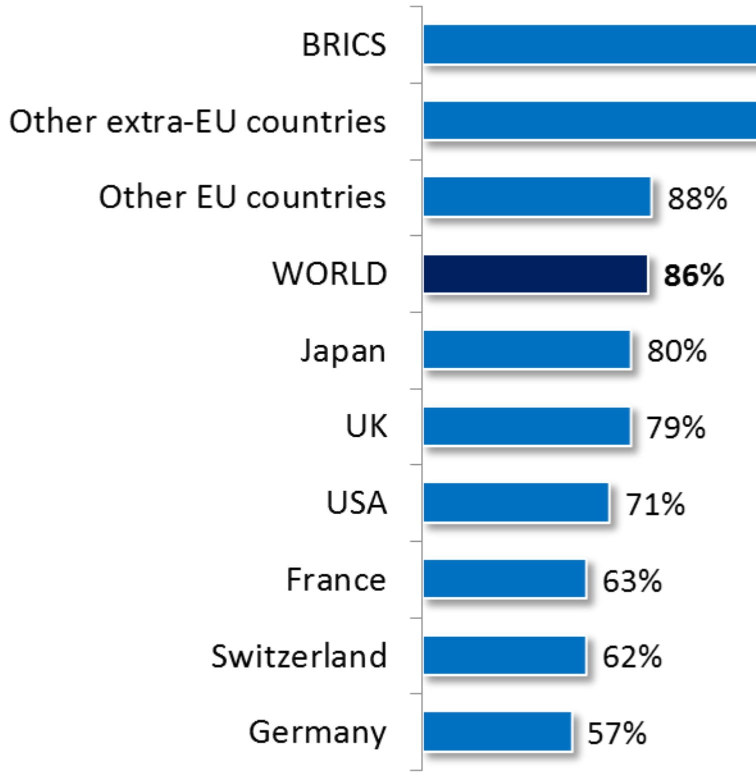
Source: Nomisma-Crif Agrifood Monitor on Federalimentare and Istat data

The Italian F&B industry in the global market: WHERE?

Distribution of the Italian F&B export per main destination (% share in total value, 2015)



Italian export growth per market (% change 2015/2005, € values)



UAE +506%

Italian F&B export per capita (€ per person)

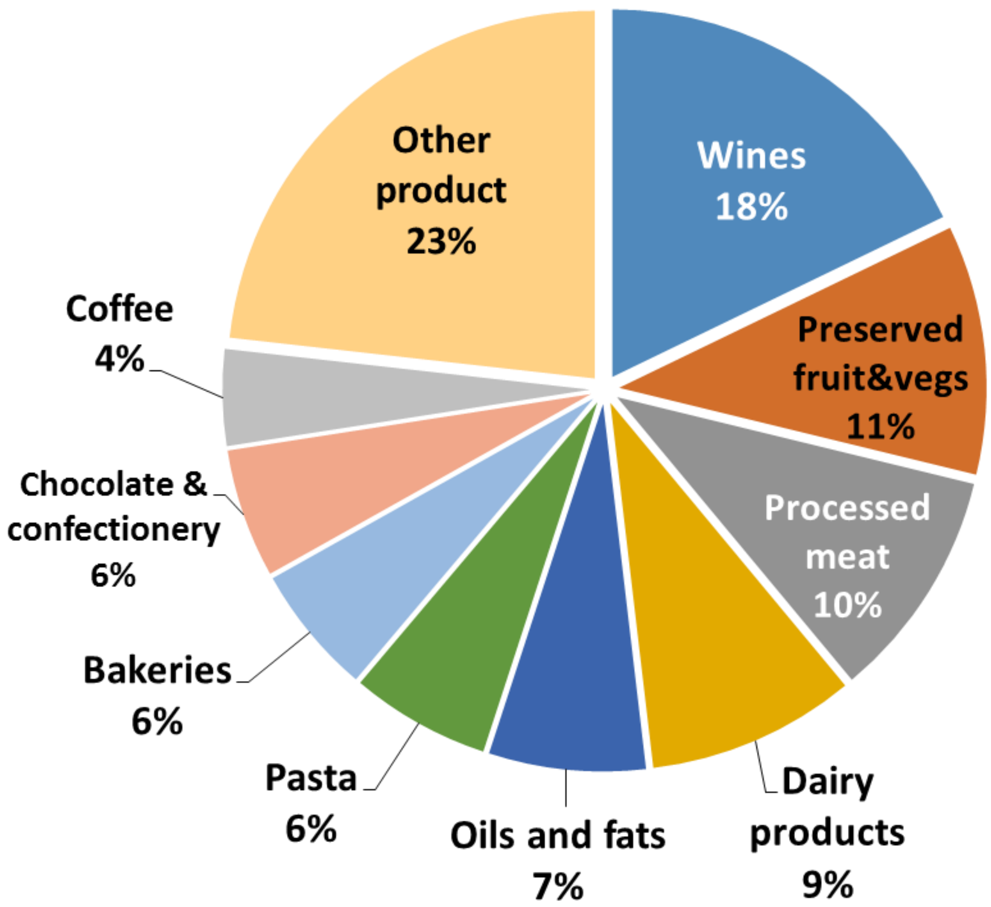
BRICS	UAE
0,3 €	21 €

Source: Nomisma-Crif Agrifood Monitor on Istat and IMF data

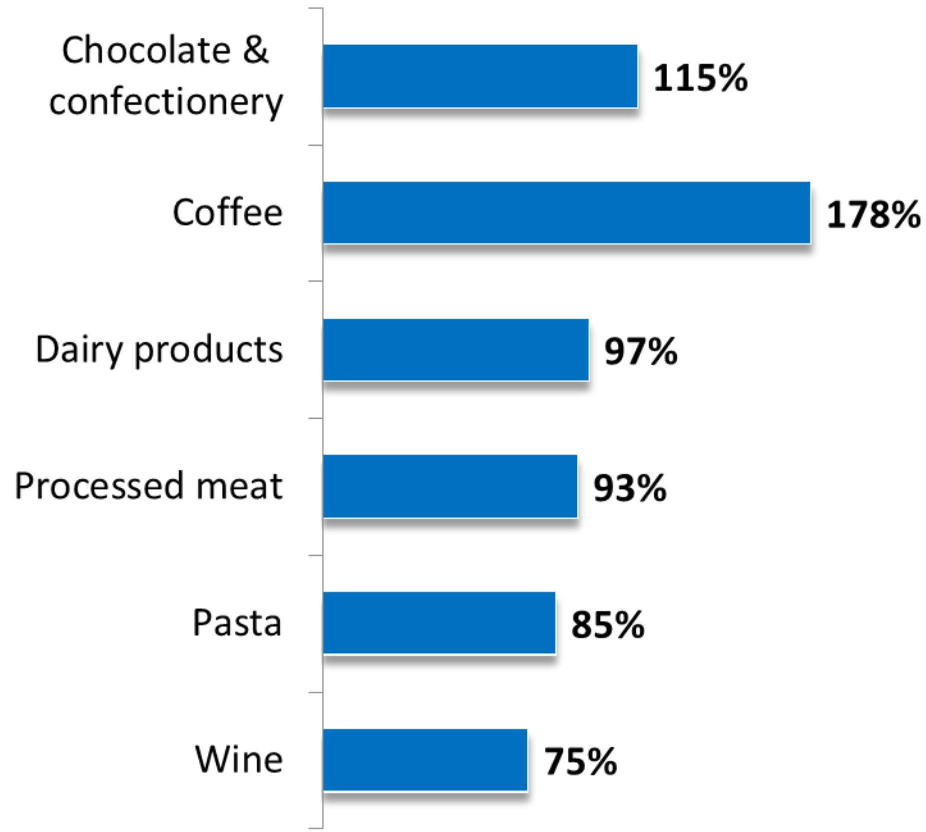
www.agrifoodmonitor.it

The Italian F&B industry in the global market: WHAT?

Distribution of the Italian F&B export per main product (% share in total value, 2015)



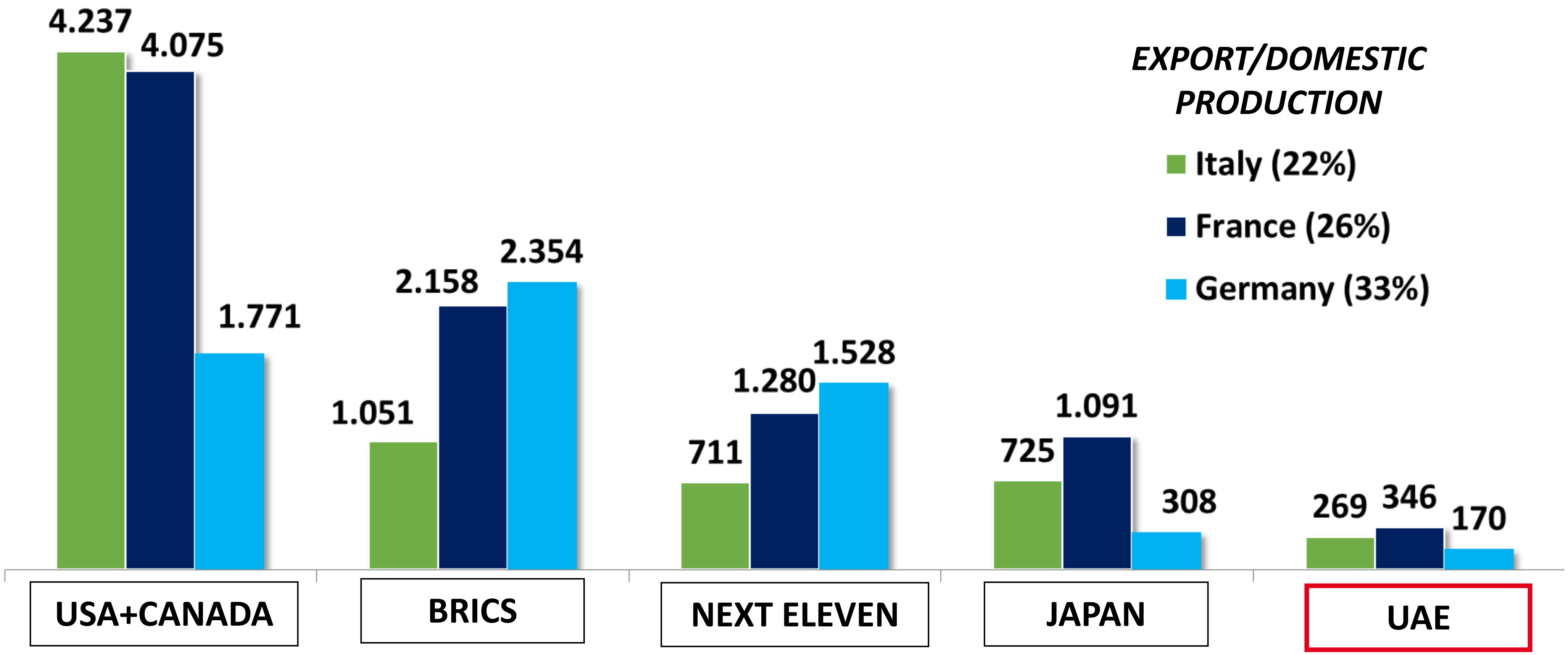
Best-performing products in foreign markets (% change 2015/2005, € value)



Source: Nomisma-Crif Agrifood Monitor on Istat data

The Italian F&B industry in the global market: COMPETITIVE SET/1

Italy versus top EU competitors in some foreign markets (F&B export, € million - 2015)

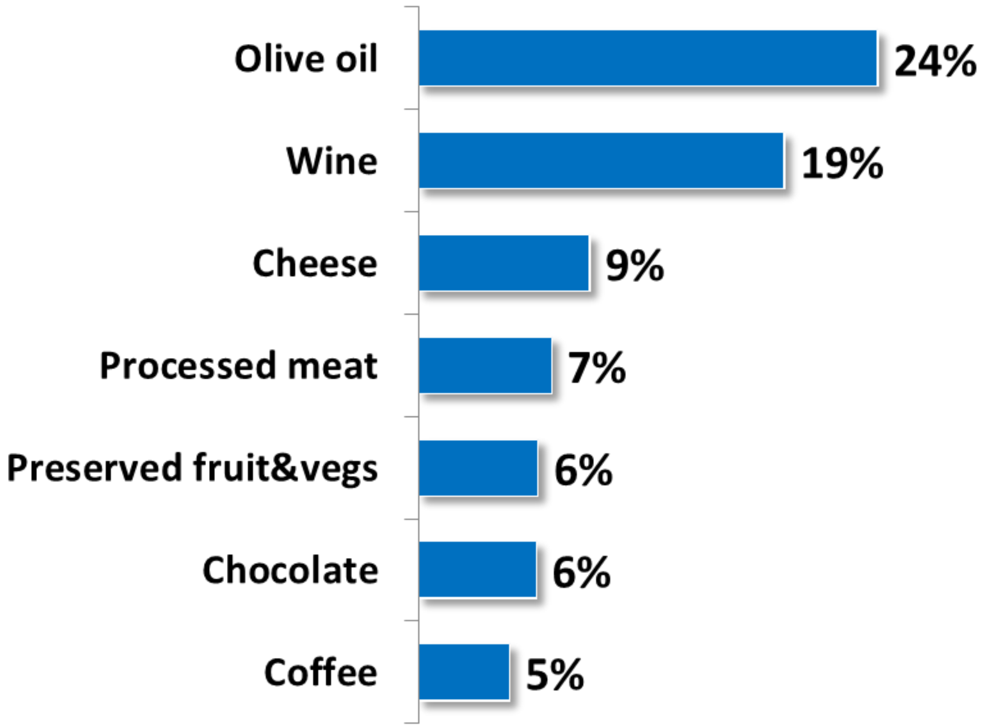


Source: Nomisma-Crif Agrifood Monitor on UN Comtrade data

The Italian F&B industry in the global market: COMPETITIVE SET/2

Role of Italy in the international trade for specific product categories (2013-15 average)

Italy share in total world F&B export



Price positioning in the global market: Italy versus top EU competitors

Average export price, € per kilo (2015)

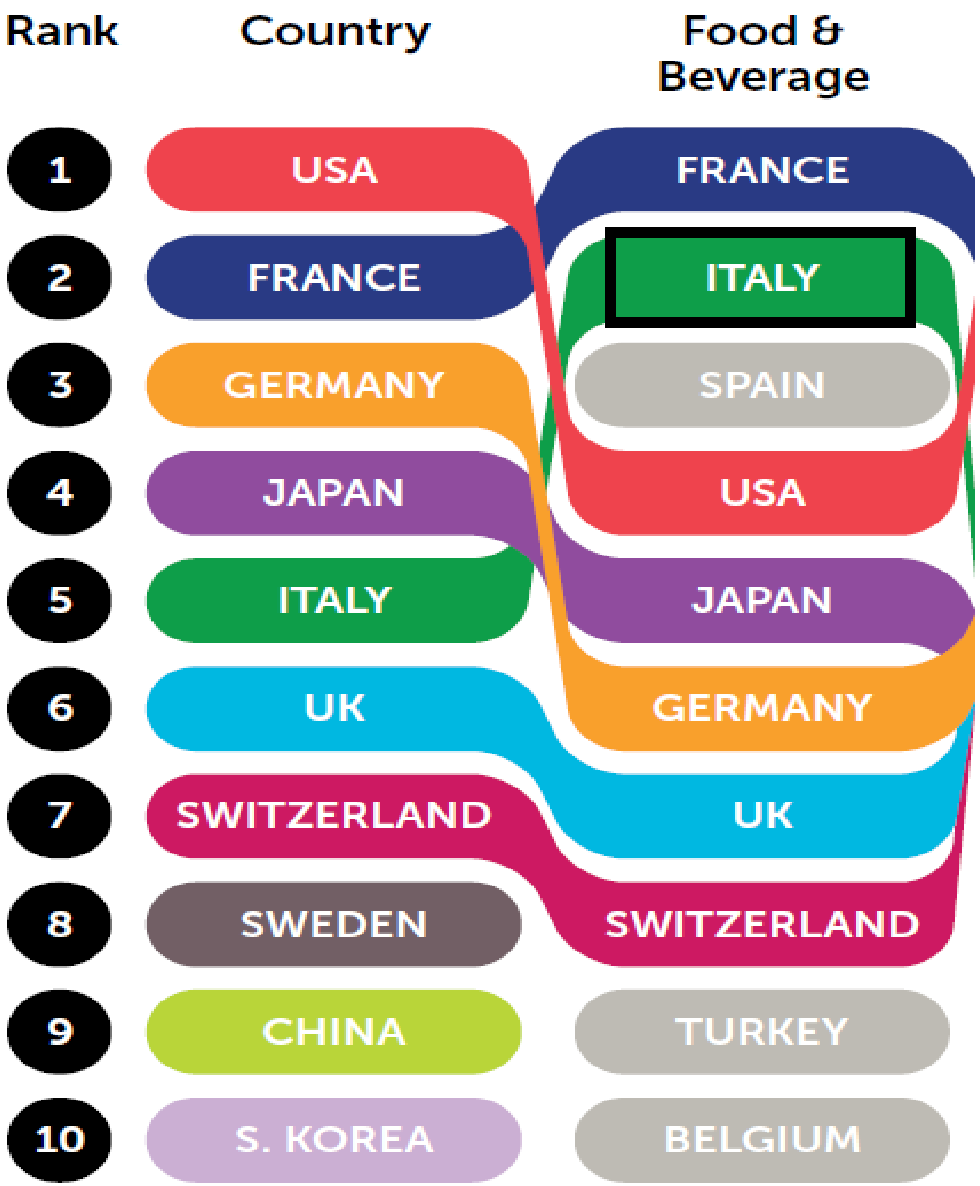
	ITALY	GERMANY	FRANCE
Cheese	6,3	2,9	4,4
Coffee	6,8	3,8	n.a.
Processed meat	6,2	3,9	3,8
Chocolate	5,4	4,7	3,9
Bakeries	3,6	2,4	2,4
Preserved fruit&vegs	0,9	1,3	1,6
Wine (€/liter)	2,7	2,6	5,8

High average price and lower market penetration in mass market segment

Source: Nomisma-Crif Agrifood Monitor on UN Comtrade data

The great value of “Made in Italy” as a brand…

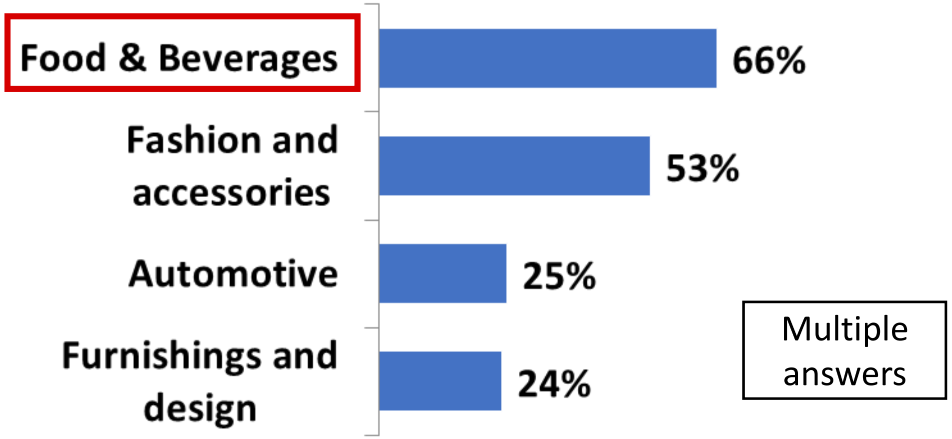
Ranking accross industry sectors



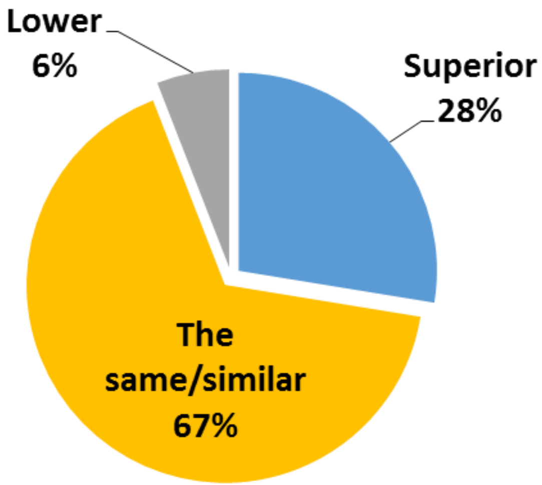
Source: FUTUREBRANDS

“Made in Italy” F&B in UAE: high reputation and perception

Which products better represent ‘Made in Italy’?



In your opinion, compared to French products, the quality of Italian food products is …

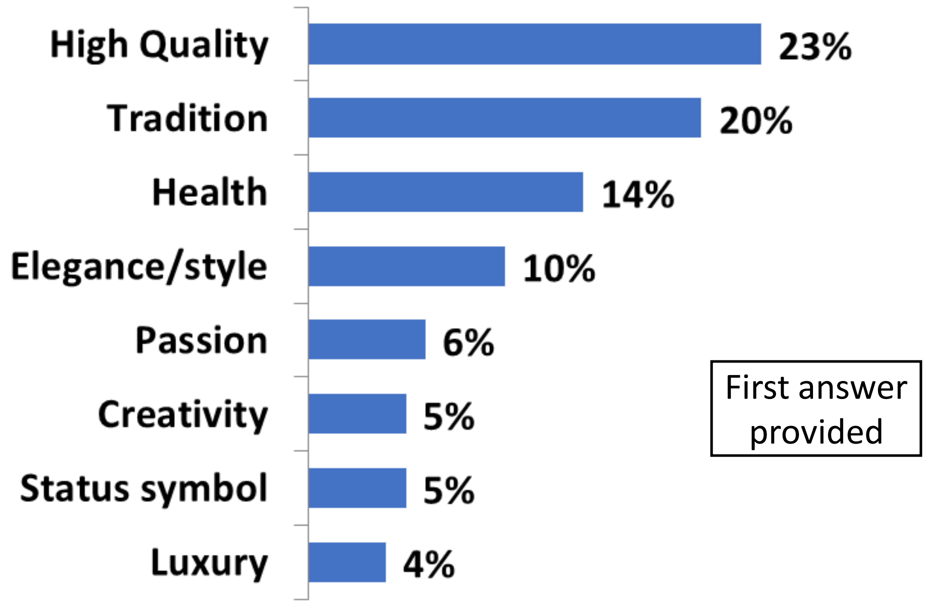


Consumer base of Italian food products in the UAE

91% Quota of UAE population who consumed Italian food products in at least one occasion in 2015

FREQUENT USERS OF MADE IN ITALY (at least once a week) **26%**

What distinctive feature comes to your mind when you think about Made in Italy food products?



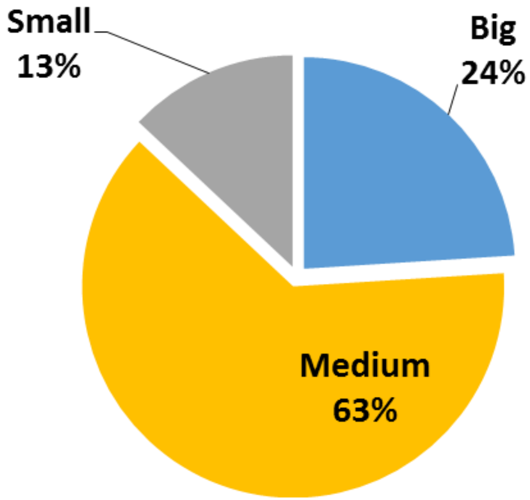
Source: Agrifood Monitor UAE Consumer Survey (Panel size: 870 consumers)

Halal F&B sector in Italy

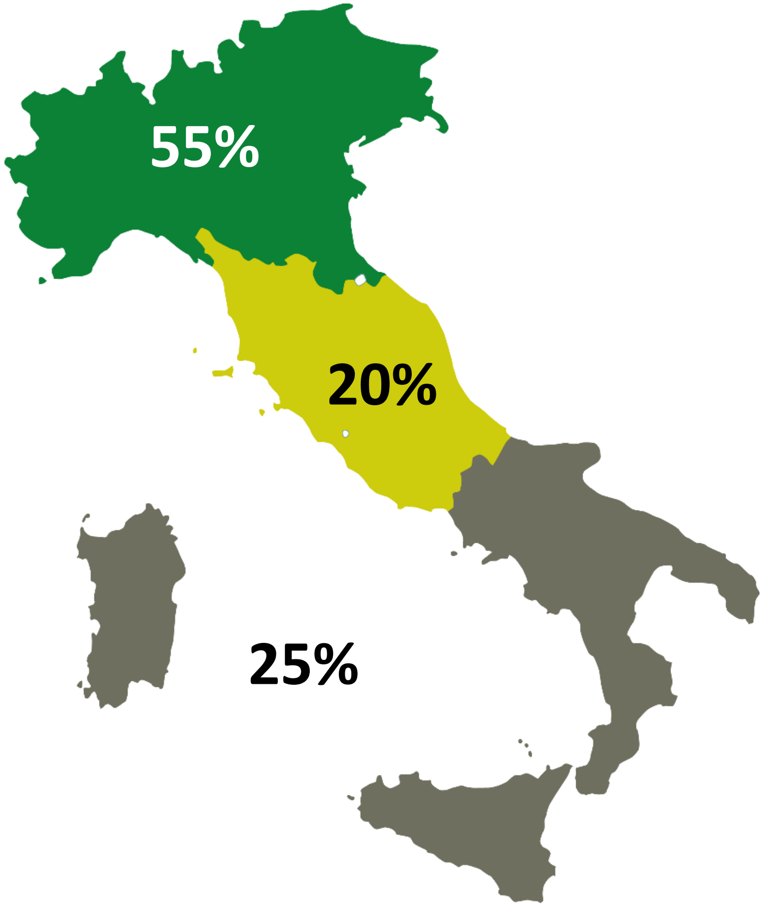
More than 300 Italian F&B companies with halal certification

Main products: meat, dairy, grain products, processed fruit and vegetables, confectionery

Distribution of companies with halal certification per size

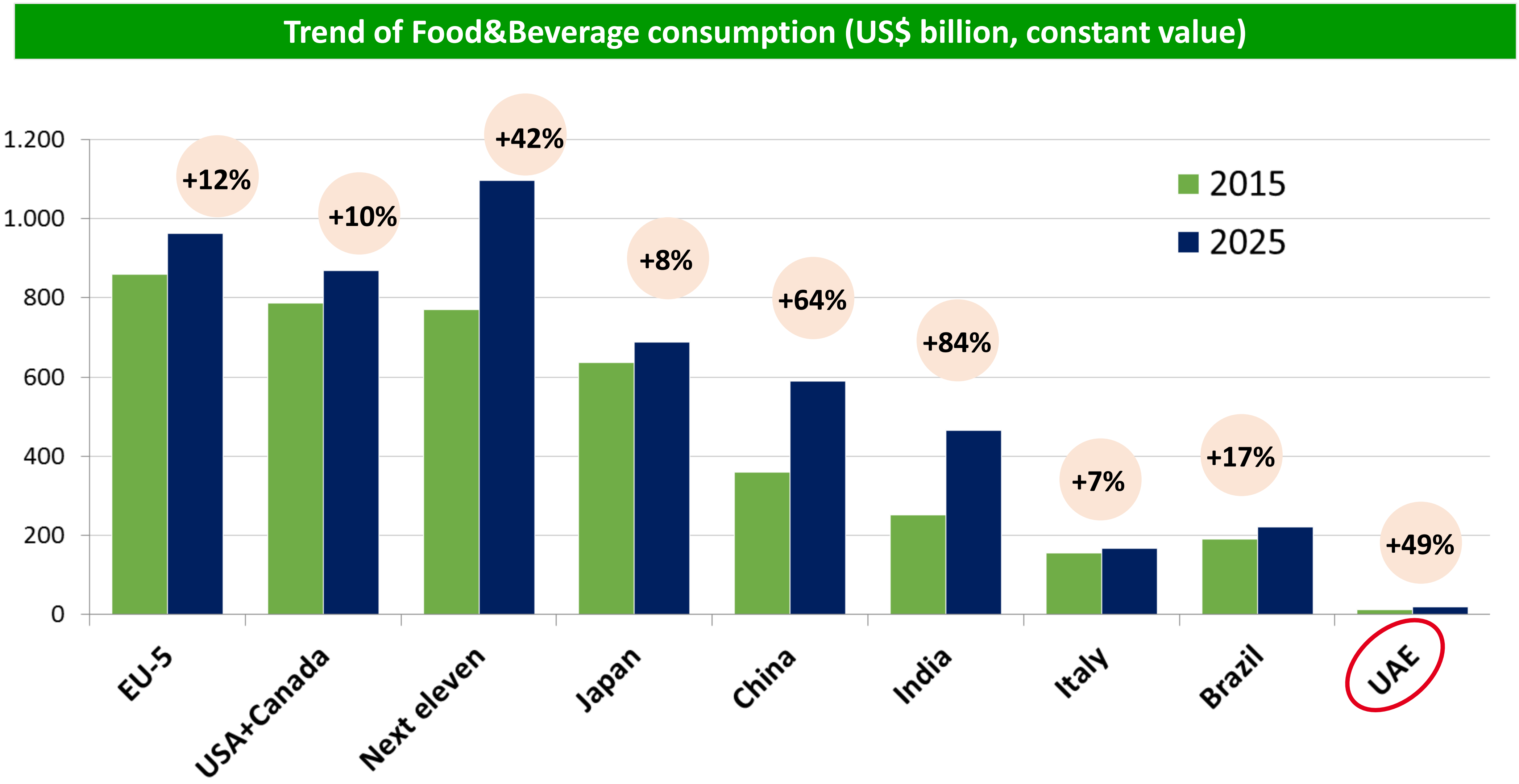


Distribution of companies with halal certification per macro-region



Source: Nomisma-Crif Agrifood Monitor on Halal Italy Authority data

Market forecast: F&B consumption in the leading foreign markets

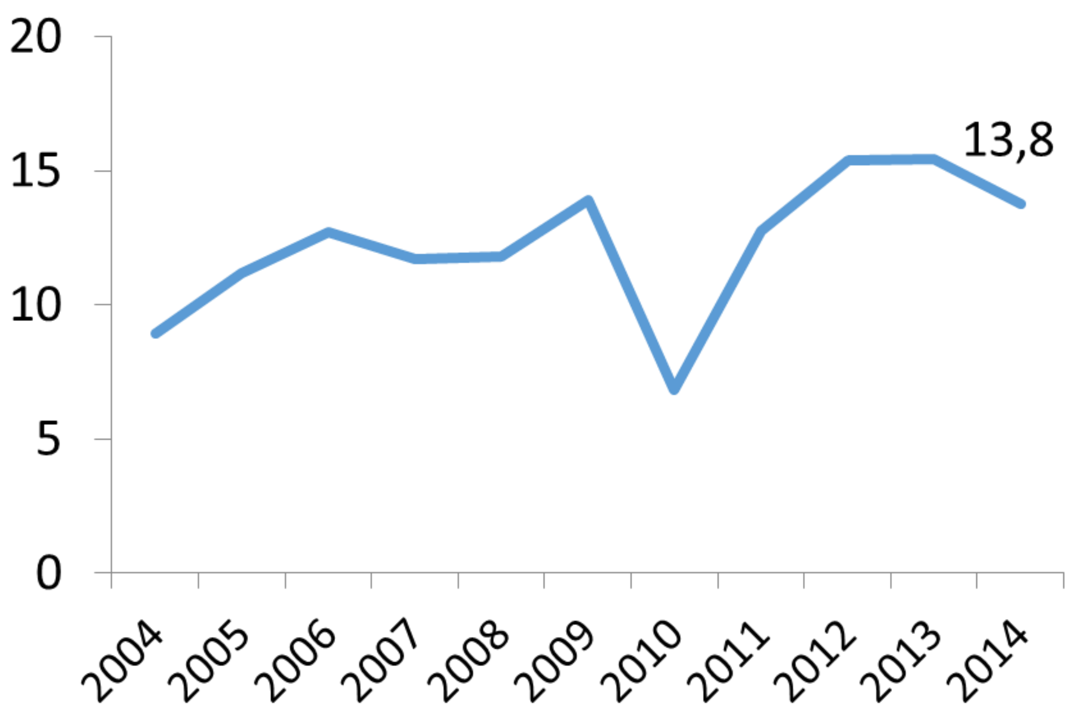


NEXT-11= Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, Turkey, South Korea and Vietnam
EU-5= Germany, France, UK, Italy and Spain

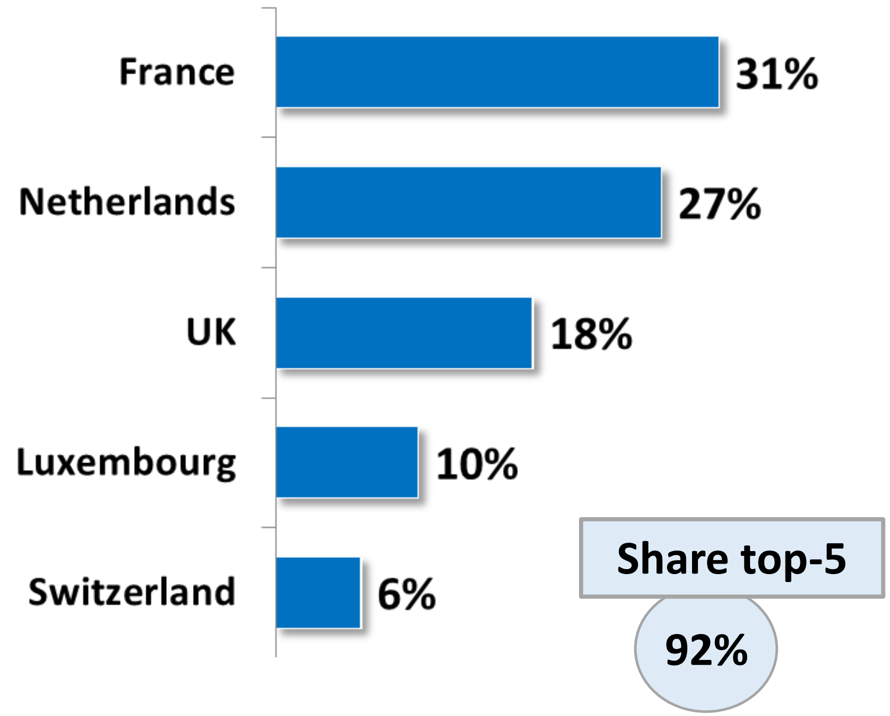
Source: Nomisma-Crif Agrifood Monitor

Investment trends: FDI in the Italian F&B sector

FDI in Italy's F&B sector
(stock, € billion)



Distribution of FDI in Italy per origin
(% share in total F&B FDI stock, 2012-14 average)



Foreign Direct Investments? A chance for everyone: Italian and foreign investors

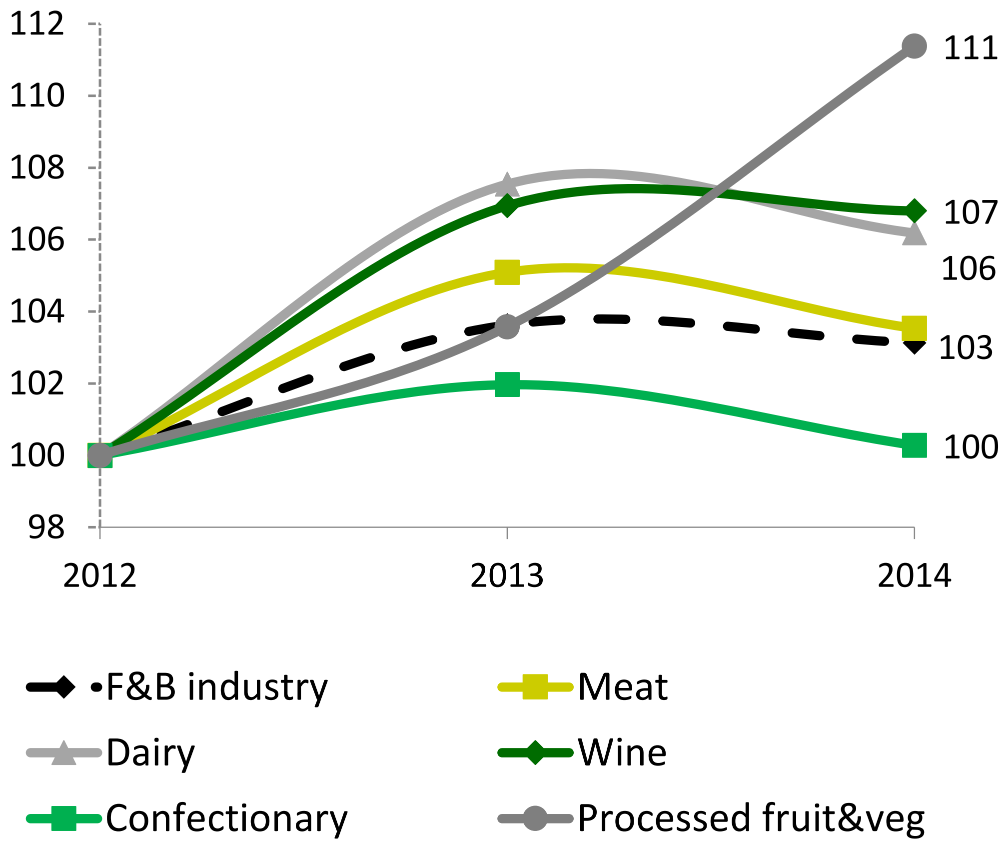
Source: Nomisma-Crif Agrifood Monitor on Bank of Italy data

INVESTMENT DRIVERS

Growth: Italian F&B industry and main branches

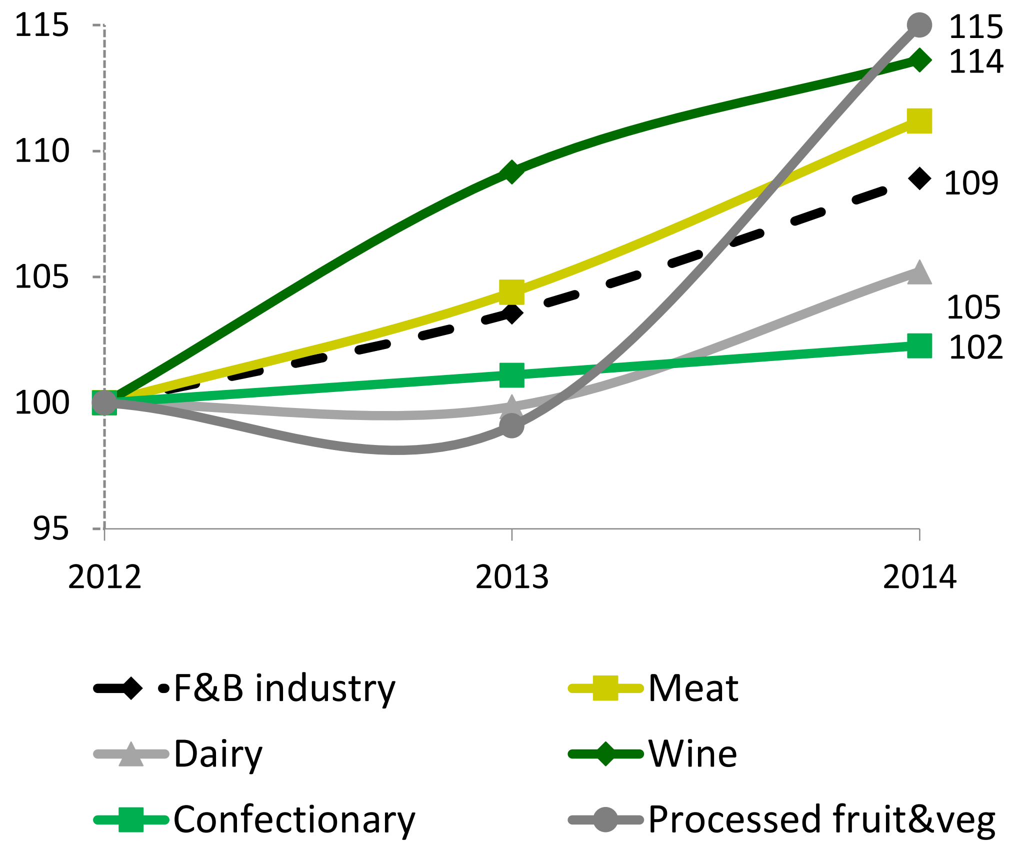
TURNOVER TREND
(index numbers; 2012=100)

Companies with turnover > € 40 million



VALUE ADDED TREND
(index numbers; 2012=100)

Companies with turnover > € 40 million

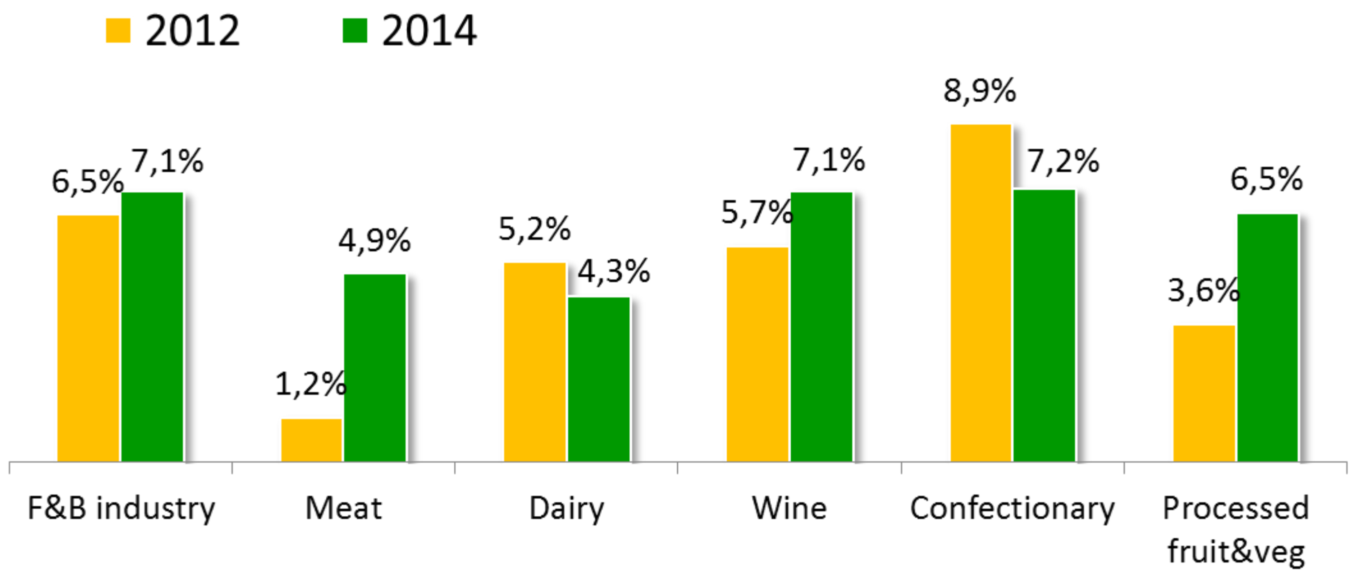


Source: Nomisma-Crif Agrifood Monitor on CRIF-Cribis D&B data

Profitability: Italian F&B industry and main branches/1

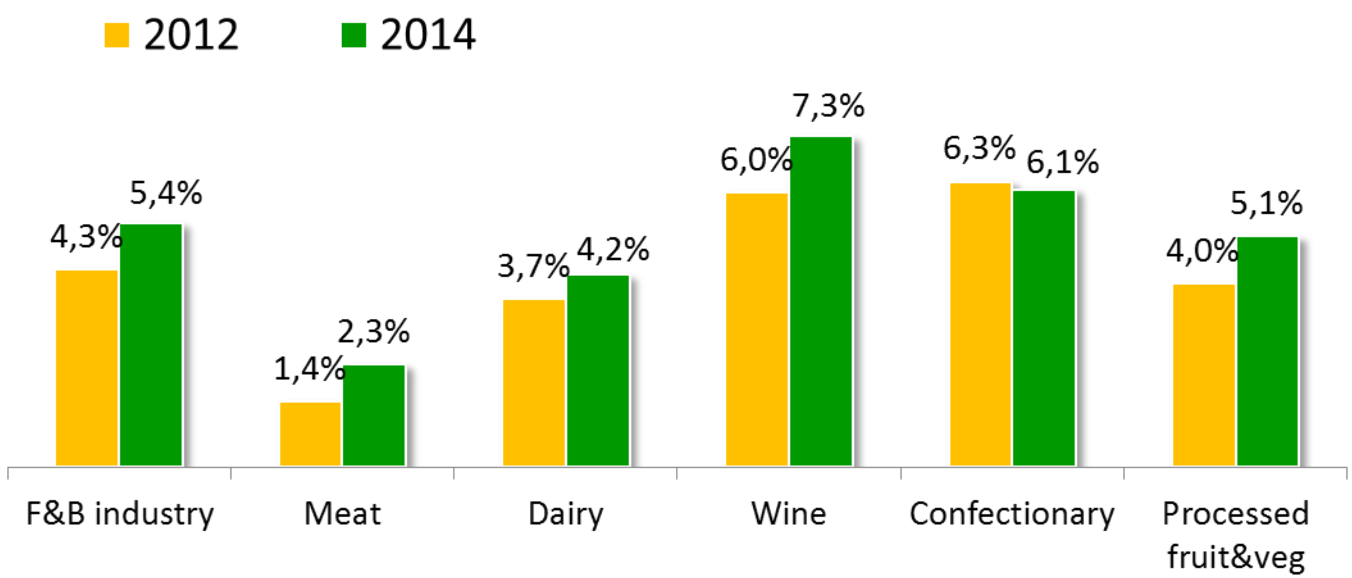
ROE – RETURN ON EQUITY
(PROFIT/EQUITY RATIO)

Companies with turnover > € 40 million



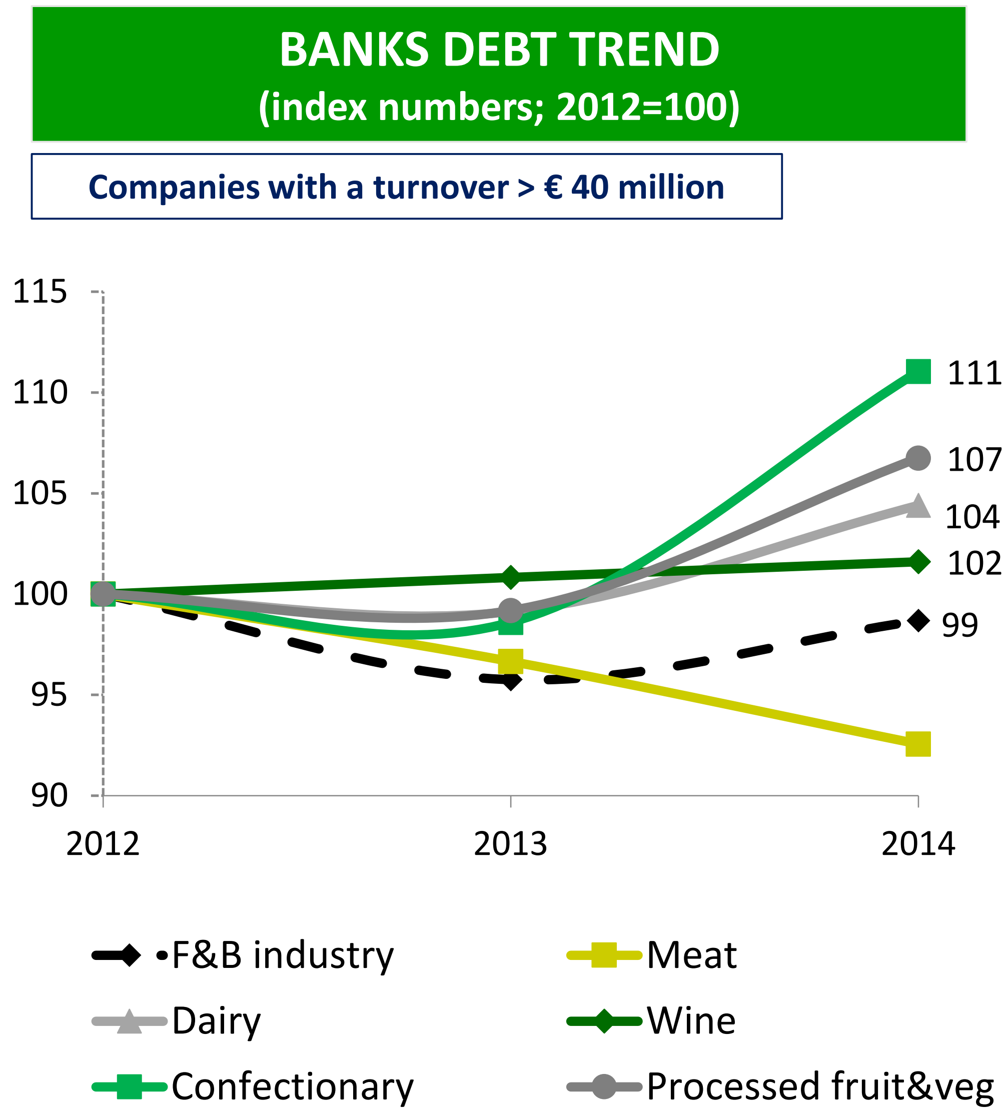
ROS – RETURN ON SALES
(EBIT/TURNOVER RATIO)

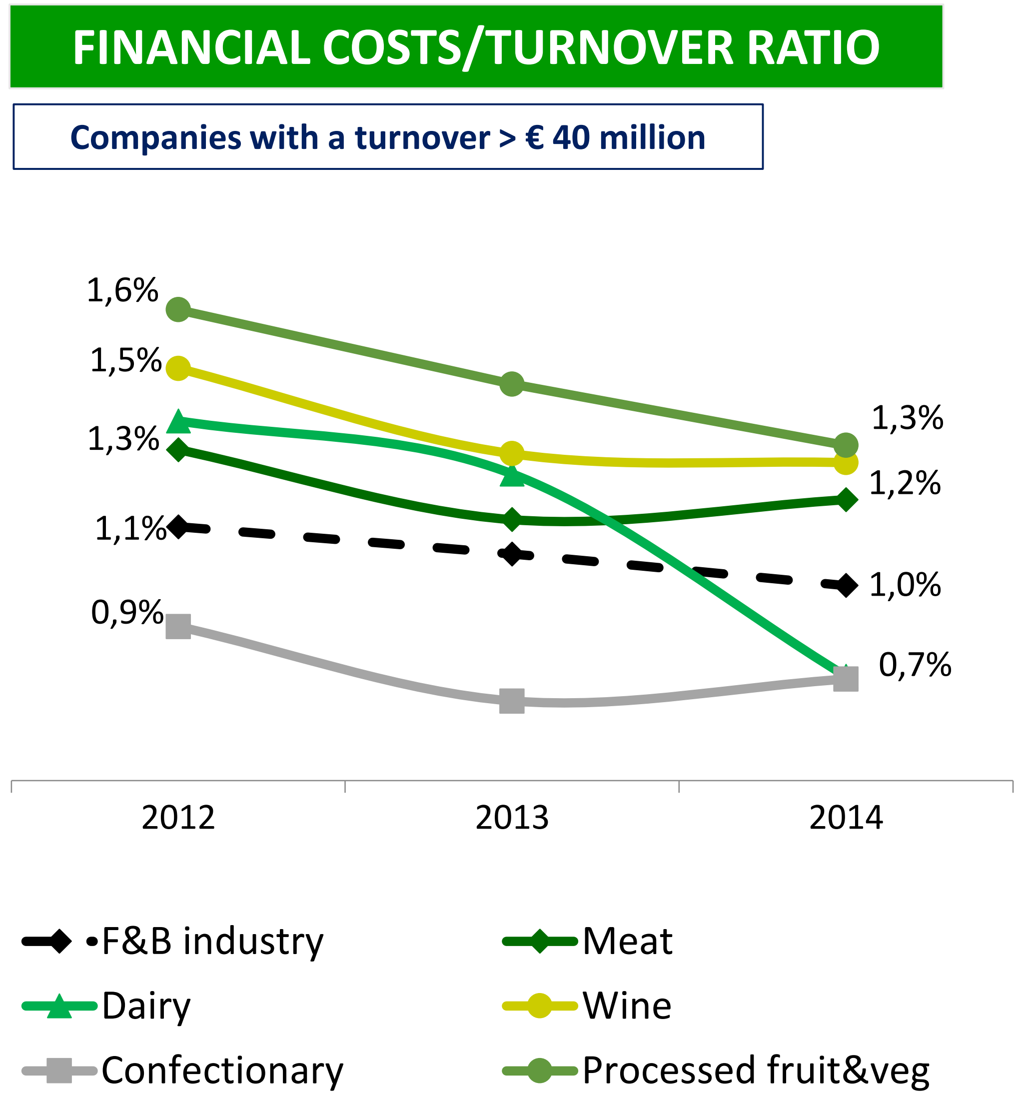
Companies with turnover > € 40 million



Source: Nomisma-Crif Agrifood Monitor on CRIF-Cribis D&B data

Financial sustainability: Italian F&B industry and main branches





Source: Nomisma-Crif Agrifood Monitor on CRIF-Cribis D&B data

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Thank you for the attention