



sace   
gruppo cdp

Deeply committed  
to Italian businesses

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Annual Review 2020



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# Introduction

€46 billion committed to supporting exports and internationalisation, the “Garanzia Italia” scheme and the Green New Deal.

## SACE’s mandate in 2020 has been broadened in scope and reinforced to further bolster Italy’s economic system

2020 has been an extremely complex year that led to challenges and prompted significant changes. The shockwave that ensued after the COVID-19 pandemic had devastating effects on the Italian and world economy and its economic and social consequences – which are still difficult to assess and measure – will persist over time.

The crisis we are experiencing is markedly different from other crises that took place during the past century. Indeed, this is, first and foremost, a health crisis that has triggered a major economic crisis. It is the first time that businesses have been forced to stop production for reasons not linked to the market but as a consequence of government measures aimed to contain COVID-19 infections and protect public health. These interventions have upset the classic economic balances and existing paradigms, highlighting the need to consider new policies that can effectively address such unforeseen scenarios.

With this in mind, SACE’s mandate in 2020 has been broadened in scope and reinforced to further bolster Italy’s economic system during the emergency management phase and the subsequent recovery phase, going beyond its traditional role of supporting exports and internationalisation and extending its scope to encompass the domestic market.

The Liquidity Decree (*DL n. 23/2020*), Relaunch Decree (*DL n. 34/2020*) and Simplifications Decree (*DL n. 76/2020*) have contributed to redefine the role of SACE and its commitment towards Italian firms.

SACE’s greater involvement in supporting Italy’s economic system has also led to a corporate restructuring, after the agreement between the Ministry of Economy and Finance and the current shareholder Cassa Depositi e Prestiti, which will become effective with a decree issued by the Ministry of Economy and Finance in consultation with the Ministry of Foreign Affairs and International Cooperation, and will bring SACE under the full control of the Ministry of Economy and Finance.

This year’s Annual Review aims to describe how SACE experienced 2020 by looking back at the main challenges and flanking stories of the companies supported in Italy and abroad alongside the results achieved.

During the year, SACE and its subsidiaries mobilised resources totalling €46 billion in an effort to support Italian companies with activities linked to supporting exports and internationalisation, the “Garanzia Italia” scheme and the Green New Deal. These resources benefited more than 15,000 companies, over 90% of which were SMEs and mid-corporates.

These extraordinary results were achieved in a complex environment and ensued from the extraordinary commitment stemming from all the divisions and employees of SACE and its subsidiaries. The workforce did its utmost to pursue SACE’s mission of supporting companies and the entrepreneurial fabric while working from home to stay safe.

The *commitment* and resilience demonstrated by SACE’s employees is firmly entrenched in the awareness that any type of involvement has a positive impact, not only on the recipient undertaking, but also on its constituent parts, which include workers, families, suppliers, and supply chains.

Supporting exports and top Made in Italy businesses, backing investments by companies in Italy and abroad, together with a cross-sector commitment to infrastructure, digital innovation and green projects comprise the guidelines that distinguish our vocation and will make SACE stand out in the near future. These guidelines are intertwined with Italy’s recovery and resilience plan, which will define the country’s investments and priorities in the coming years and is decisive for its recovery. Together with all stakeholders at the system level such as institutions, financial entities, associations and businesses, this recovery involves us at the front line and implies a collective team effort on behalf of SACE and its subsidiaries with a single objective: a new start for Italy.

# Highlights 2020

**€46** Total mobilised  
resources  
billion

**€25** billion  
Exports and internationalisation  
(+18% on 2019)

**€21** billion  
Garanzia Italia

**€300** million  
Green New Deal

**€156** Portfolio  
as of 31/12/2020  
billion

**26** thousand  
Customers

**1,004** Employees

## Key figures from SACE's financial statements

**€79.7** Profit  
million

**4.9** Technical  
reserves  
billion

**4.7** Equity  
billion

**€163.6** Claims  
paid  
million

**€736.9** Gross  
premiums  
million

# Exports and internationalisation: our long-established vocation

The unprecedented adversity stemming from the effects of the COVID-19 pandemic in 2020 coupled with the uncertainties inherited from 2019, such as the slow-down of GDP and international trade, the escalation of protectionism and geopolitical instability, led to a sharp drop in Italian exports of -9.7%, the worst performance since 2009. In this context, SACE and its subsidiaries never withdrew their support to Italian businesses and mobilised resources totalling €25 billion, a 18% increase on 2019, a figure that confirms the counter-cyclical role they play.

The outlook for 2021 in terms of healthcare and the economy points to a year of transition, with a focus on withdrawing from the crisis ensuing from the pandemic. Although the macroeconomic environment remains uncertain, forecasts concur on a 6% growth of world GDP, with a widespread recovery extending – to varying degrees – to all geographical areas.

Italian businesses must seize all the opportunities offered by foreign markets. They can count on a partner such as SACE, which offers one of the widest ranges of services among export credit agencies and has been assisting, supporting, and enhancing Italian products even in distant and unfamiliar geographical areas.

The insurance and financial services offered by SACE and its subsidiaries support companies of all sizes during the entire internationalisation process: from the early stages, when it is essential to get to know and assess the counterparts, to risk management, with credit insurance services and investment protection; from subsidised loans for internationalisation purposes, to equity participation in foreign companies; from the guarantees needed to participate in tenders and bids, to financial guarantees required to access liquidity; to factoring and last-resort services such as credit recovery. The range of services has also been upgraded with specific solutions which protect against risks in construction sites and risks to company assets stemming from the ownership of property and business activities. These solutions have also been fully digitalised with standardised products, faster turnaround times and a greater ease of use, especially for SMEs.

All this contributes to furnish concrete and indispensable levers that support the competitiveness of Italian companies operating in foreign markets. Essentially, these solutions offer more opportunities to win international contracts, a better credit risk management, easier access to financing with better terms, and a safe expansion on the global market, meaning businesses know they can count on an economic system that is among the best in the world in supporting exports and internationalisation.

SACE and its subsidiaries have implemented many initiatives to support Italian companies during the emergency ensuing from the pandemic, both directly and via extraordinary contributions from recurring clients of Italian exporters. These range from the moratoria granted to companies at the peak of the crisis in line with the measures promoted by the Italian Banking Association (ABI) to the Debt Holiday initiatives, promoted in conjunction with other European export credit agencies to support sectors that were particularly affected by the emergency.

More specifically, a deferral on loan repayments covered by a SACE guarantee was granted, with the aim of supporting the liquidity of companies operating in the aviation and cruise ship industry, with advantages that extend to all related economic activities. This sustained, among other things, the orders that Italian companies had closed for future deliveries before the pandemic.

The synergies that were implemented in Italy's economic system were particularly important during the pandemic, and several initiatives were put forth to support companies and, in particular, Italian products. Particular emphasis should be placed on the Export Pact, promoted by the Ministry of Foreign Affairs and International Cooperation. This covenant involved SACE and SIMEST together with 45 other entities dedicated to the public support of exports and trade associations. The Export Pact exemplifies an innovative strategy which aims to relaunch the Made in Italy identity in the world during the phase following the health emergency. It seeks to strengthen those tools which bolster exports and internationalisation and deliver far-reaching promotional activities with specific initiatives and projects.

A toolbox  
to successfully  
navigate  
the global  
market.

## Towards a more structured and increasingly aware approach to exports

Setting off on the right foot, defining an effective internationalisation strategy, and knowing how to navigate the global market are all key enablers that can determine the success of business initiatives abroad. For several years now, SACE has been undertaking many initiatives aimed at providing entrepreneurs with a toolbox to establish export strategies that are increasingly structured and deliberate.

The network of collaborations developed over the years with local trade associations are along these lines, training providers and universities, with which it has developed training and information initiatives dedicated mainly to SMEs, allowing participants to acquire a set of strategic and operational skills to successfully launch an internationalisation process or strengthen their presence in foreign markets.

These collaborations have been further strengthened by the intense activities conducted by **SACE Education**, a genuine training *hub* that focuses on three themes to meet the different needs of companies: specialised courses on exports and internationalisation, accompaniment programmes to address green, digital, and infrastructural strategies and certified academic training.

SACE Education played an important role during the lockdown: given it took place online, the dialogue with companies was never interrupted and an effective training channel remained active. In 2020 alone, SACE Education reached more than 55 thousand users, delivered over 200 hours of training, conducted more than 80 webinars, and launched 8 training projects.

The two subsidised finance tools promoted by SIMEST and aimed to increase businesses' degree of internationalisation are also linked to the strengthening of the export vocation: Firstly, the **Temporary Export Manager** provides for the temporary involvement of an expert in foreign markets, digitalisation, or innovation, enabling even the smallest businesses to add new managerial skills, effectively respond to market changes, and improve their competitiveness. Secondly, the **E-commerce** service allows companies to exploit the potential of online retail to increase sales (by directly creating their own IT platform or using one owned by a third party).

A structured and conscious approach to export must also necessarily include customer knowledge. Thanks to the **Valutazione Azienda** service, companies can benefit from SACE's professionalism and experience in assessing the reliability of the businesses they work with in Italy and abroad. In 2020, this easy-to-interpret digital service provided assessments to approximately 300 companies. **The Insurability Opinion** service has been introduced for businesses which seek to understand whether a transaction is feasible or not, and allows them to receive a preliminary opinion and directly apply for the corresponding credit insurance. In 2020, the SACE portal registered approximately 4,000 requests for an opinion.

In addition to this, the analyses and reports published by SACE's **Research Department** have become a point of reference to navigate the global market, thanks to products such as the Risk Map and the Export Report.

## A more pro-active approach to benefit Italian products

### SACE in partnership with FLUENCE ITALY

SACE backed a loan worth €154 million approved for the construction of a water treatment plant in the Ivory Coast by reinsuring a share of it. The plant will be built by Fluence Israel, which will entrust the Italian associated company Fluence Italy with subcontracts totalling approximately €30 million. The plant will have a capacity of 150,000 m<sup>3</sup> and will be built in the Aghien lagoon. This project will help reduce the district's water shortages by supplying it with clean water and improving the living conditions of the local population.

Italy's successful exports also rely on the creation of opportunities and strong business links. SACE's **Push Strategy** applies a pro-active approach to boost the competitiveness of Italian businesses across the world. This programme, which leads the way for Italian exporters in high-potential emerging markets and activates economic diplomacy mechanisms, offers major foreign counterparts medium and long-term credit lines at competitive rates to facilitate purchases of Italian goods and services. It also strengthens existing business relations and fosters the *procurement* services of Italian businesses by improving their positioning in global supply chains. Since its launch in 2017, SACE has allocated more than €2.3 billion in transactions to foreign counterparties operating in the *oil & gas*, *infrastructures*, *petrochemical*, *automotive*, *mining*, *retail*, *fashion*, and *mechanical engineering* sectors, allowing many Italian businesses to establish themselves in the supply chains of foreign buyers and closing several contracts.

The **Push Strategy** approach goes beyond the financial side of the transaction. Indeed, business matching events between the interested Italian businesses, top management and the procurement team of the foreign buyers benefiting from the loans guaranteed by SACE are an integral part of the Push Strategy. 28 *business matching* events were organised to support these credit lines and to facilitate the awarding of new contracts to Italian companies. This resulted in 1,200 B2B meetings, mostly between SMEs, and the Push Strategy generated €1.3 billion in additional exports.



## Financing international growth

The international expansion of a business depends on its ability to secure financing and credit to support its growth strategies. This requires knowing the tools offered by the main programmes that help businesses become more competitive – and SACE and its subsidiaries are a key ally in this regard.

SIMEST manages the 394/81 Fund on behalf of the Italian Ministry of Foreign Affairs and International Cooperation, extending **subsidised loans** to businesses to support different types of initiatives: from feasibility studies to the start-up of business structures in foreign countries, the development of technical support programs for employee training purposes, the participation in exhibitions, trade fairs and missions coordinated with other national entities, the capitalization of small and medium exporters, the temporary involvement of an export and internationalisation specialist in businesses or the participation in e-commerce platforms to increase foreign sales. A whole range of financial products supporting the development and growth of Italian businesses on international markets.

### SACE in partnership with CAFÈ NOIR

**SACE guaranteed a loan worth €700 thousand to Café Noir, a Tuscan business specialised in footwear and clothing accessories. With this operation, Café Noir will be able to strengthen its international competitiveness by receiving support aimed at implementing advertising campaigns and financing expenses geared towards participation in trade fairs and exhibitions abroad.**



During 2020, SIMEST approved more than €1 billion in subsidised loans for internationalisation purposes (+263% on 2019), reaching the all-time high of resources mobilised in this type of service. These loans ensured liquidity to Italian companies, especially SMEs (90% of applications were accepted), during the year marked by the COVID-19 emergency. The sectors that benefited most were the mechanical, metallurgical, textile and the chemical/ petrochemical industries. The main foreign target markets were the United States, Albania, and Switzerland. The volume of new loans granted increased as a result of the extraordinary measures adopted during the emergency that hit Italy from the first quarter of the year.

In particular, the 394 Fund has been extended to EU countries, several favourable product changes have been introduced, and companies have been provided with the option of requesting an exemption from the provision of guarantees and a portion of non-repayable co-financing.

**SACE's guarantees** are another tool that businesses can use to facilitate access to funding. Italian businesses can use this product to finance their working capital and the investments associated with internationalisation efforts. In 2020, SACE guaranteed €1.2 billion in this service (+78% on 2019), mainly to companies in the businesses operating in the construction, shipbuilding, consumer goods and agri-food industries.

Dedicated to small and medium businesses, the **guarantee for the internationalisation of SMEs** is the tool that, through partnerships with banks (especially local ones), helps companies access funding for multiple purposes: working capital support, direct investments abroad, investments in research and development in Italy, expenses for the purchase or renewal of machinery and equipment, communication, and marketing, and participating in trade fairs. In 2020, SACE guaranteed €134 million worth of loans, supporting a total of 220 SMEs, operating in a wide range of segments.

SACE also **guarantees debt securities** by using the export basket bond tool (in *partnership* with CDP) and by guaranteeing mini-bonds (in *partnership* with the main banks and financial institutions that underwrite bond issues) with the aim of providing credit to support the internationalisation processes of Italian businesses. In this respect, in 2020, SACE mobilised €27 million in resources.



### SACE in partnership with GUALA DISPENSING

**SACE guaranteed a debenture loan worth €20 million to support the expansion abroad of Guala Dispensing, a Piedmontese business that operates in international markets and is specialised in the production and marketing of packaging (such as dispensers and sprayers) for household and personal hygiene products.**

The expansion of a business on international markets requires knowing the tools offered by the main programmes that help businesses become more competitive – SACE and its subsidiaries are a key ally in this regard.



## Making exports more competitive

Offering payment terms or loans at favourable rates to your foreign customers is key to successful negotiations – especially on international markets. SACE assists Italian businesses and supports their exports with **insurance/financial solutions to provide export credit**, which enables exporters to sell their products and services safely and at competitive conditions, and ensures they are able to assess the risks and are insured.

Besides receiving support throughout all the steps of the operation (from the assessment of the foreign customer to the subsequent and possible debt collection), the businesses that choose SACE are able to offer their foreign customers financial packages with longer payment terms, to the benefit of competitiveness.

Thanks to its wide range of products, SACE is capable of meeting the needs of businesses, regardless of their size, by addressing both small amounts or single orders by means of the traditional **Supplier Credit** policy or the new **Export Up**, a standardised digital version for sales on order or for repeated transactions with one or more customers, and addressing more complex operations that include structuring medium-long term credit lines alongside banks. In this case, a simplified product was developed in recent years: the **Express Buyer's Credit** policy. With this product, SACE offers to insure loans granted by banks to foreign companies

for the purchase of Italian products and services. The product covers low-cost operations, allows the financing bank to self-manage the documentation, simplified procedures, and faster service delivery times.

SIMEST can support Italian companies that sell investment goods and services abroad with **interest subsidies on the Buyer and Supplier Credit**, enabling Italian exporters to offer their foreign customers medium-long term payment conditions at a facilitated minimum interest rate. The Supplier Credit tool has also been recently remodelled according to the size of the company, favouring SMEs and now boasts an online simulator that provides an immediate estimate of the maximum amount obtainable.

In 2020, SACE mobilised a total of €11.7 billion to support Italian export businesses, of which €2.9 billion in synergy with SIMEST, which disbursed interest subsidies. In addition, SIMEST has in place grants for suppliers' credits related to the 295/73 Fund of €250 million for supplier's credit transactions.

Based on the resources mobilised, the Middle East and North Africa accounted for 29% of the new export credit operations supported by SACE, while the American continent accounted for 25% of operations led by Italian businesses and Sub-Saharan Africa accounted for 23%.

Top Made in Italy supply chains are among the sectors that benefited the most from SACE's support for their exports, notably: cruise ships (37.5%), oil & gas (16.7%) and infrastructure and construction (14.7%). These sectors include both large industry leaders (so-called champions) with an excellent global positioning and a supply chain system comprising many smaller businesses. On the other hand, looking at the number of supported transactions, the mechanical and mechanical engineering industry are the sectors that benefited the most (38%). This is a sector of excellence in Italian exports that mainly involves SMEs.

The growing risks and volatility across all markets require exporters to get credit insurance. not only for large transactions with large payment extensions. Indeed, at this time, insuring short-term receivables has become a strategy encompassing the entire turnover. This option allows to improve and regularise the management of cash flows, especially when combined with solutions such as receivable discounting or factoring, which enable businesses to discount their receivable in advance.

With SACE, businesses can **insure their short-term receivables** (through the operating entity SACE BT), both for individual transactions abroad or the total sales generated in Italy or abroad. In 2020, SACE mobilised €3 billion in this area, in addition to €200 million in synergy with SACE Fct.

## SACE in partnership with ASTER

SACE supported the Sicilian company Aster, one of the first businesses in the world to have introduced high-quality and high-efficiency irrigation solutions into the market, by insuring the exports of its innovative drip lines to Mexico, the Dominican Republic and Honduras for €200 thousand.

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## SACE in SUB-SAHARAN AFRICA

SACE has mobilised resources totalling approximately €2.7 billion (€240 million in 2019) in support of the export and internationalisation activities of Italian businesses in 22 countries in Sub-Saharan Africa. SACE's insurances and guarantees have benefited mainly the oil and gas and infrastructure and construction industries. Most of these operations were implemented with the Buyer Credit policy, which allows Italian businesses to export by way of supply chain operations that involve a large champion company that is awarded the contract and the wide-ranging economic activities stemming from its supplier companies, mainly SMEs. These operations are deemed as strategic for Italian exports since they ensure businesses are awarded important contracts and share benefits along the entire subcontracting chain. In turn, this ensures that the quality, specialisation, and expertise of Italian SMEs can reach even non-traditional geographical areas, such as Ivory Coast, Tanzania, and Ethiopia.

## Investing abroad

In a scenario where global value chains deeply affect global investment and trade flows, an on-site presence can be a winning strategy for exporters. Setting up *joint ventures* or other kinds of establishments in reference markets is a strong driver of competitiveness and an effective tool to support business strategies in an effort to enter new target markets or increase the share in established markets.

SIMEST stands alongside expansionary projects advanced by Italian businesses by purchasing temporary and non-controlling equity investments in foreign or Italian companies. Equity investments may be made in the set-up phase (*greenfield* initiatives), in the strengthening phase (with share capital increases) or in the case of third-party acquisition (M&A transactions).

In 2020, SIMEST granted €87 million in resources to businesses, including direct SIMEST equity investments, subsidies on equity investments and Venture Capital Fund interventions. A tool that was radically renewed in 2020, the Venture Capital Fund is managed by SIMEST in partnership with MAECI and extended its scope firstly to all non-EU countries, and, at the end of the year, also to all EU countries. In addition, from 2020, access to the promotional resources of the Venture Capital Fund has also been extended to *innovative start-ups*, the true technological powerhouse of Italy, in an effort to assist them in the process of strengthening their business model, promoting international growth, and *scaling up*.

The considerable geopolitical uncertainty that affects several areas of the world where many Italian businesses operate makes the SACE **Investments Policy** a reliable ally to address political risks: it protects both equity abroad and loans to foreign subsidiaries. This tool allows to limit the losses or offset the failure to repatriate investment amounts (e.g., dividends, profits, and repayments of shareholder's loans) as a result of war or civil unrest, exchange controls, direct or indirect expropriation, and the revocation of contracts with local public counterparties. It also protects against the risk of business interruption, i.e., the damage caused by the temporary interruption of production activities.

In 2020, several companies chose the Investments Policy to support their business abroad. SACE mobilised €1.2 billion in this area, mainly associated to transactions conducted in Africa, Emerging Europe, and the CIS countries.

## Turning receivables into liquidity

The **factoring solutions** offered by SACE through the operating entity SACE Fct allow companies to generate liquidity through the recourse or non-recourse factoring of receivables due from private or public-sector counterparties in Italy or abroad. Besides conventional factoring activities, SACE provides businesses with services such as Reverse Factoring, Confirming and the purchase of receivables due from Italy's Public Administration (including tax-related receivables) targeting Italy's large industrial companies and their suppliers, in an effort to support the production chain by optimising cash flows.

SACE Fct has also set itself the objective of fully satisfying the needs of businesses by adding to its traditional services a range of Digital Factoring products for all types of businesses, in particular SMEs that need liquidity from trade receivables quickly and with no strings attached. The digital services offered by SACE Fct allows businesses to transform trade receivables into liquidity with an approach that is fully dematerialised, intuitive, and fast. In the portal, customers can find, in addition to factoring products, an additional source of liquidity such as the Invoice Trading Marketplace. SACE Fct mobilised €3.7 billion in 2020 (+8% on the previous year), in addition to approximately €1 billion in export credit transactions guaranteed by SACE.

SACE Fct has also bolstered Italian businesses within the scope of interventions laid down in the Liquidity Decree Law for the COVID-19 emergency.

## Collecting receivables

**Debt collection** is a key ally of "last resort" and SACE (through the operating entity SACE SRV) offers nearly unrivalled expertise in this highly specialised service in Italy – especially as far as transactions in emerging markets are concerned.

In the last 10 years, SACE SRV has managed a stock of over 31 thousand mandates and an exposure totalling over €1.6 billion. In 2020 alone, more than 69 million receivables were recovered mainly by means of out-of-court activities (also in view of the suspension of court activities during most of the year) aimed at recovering outstanding receivables of businesses serviced by SACE and its product companies, and also of uninsured third-party customers. The credit recovery service is available on the SACE website.

## Obtaining guarantees for tenders and contracts

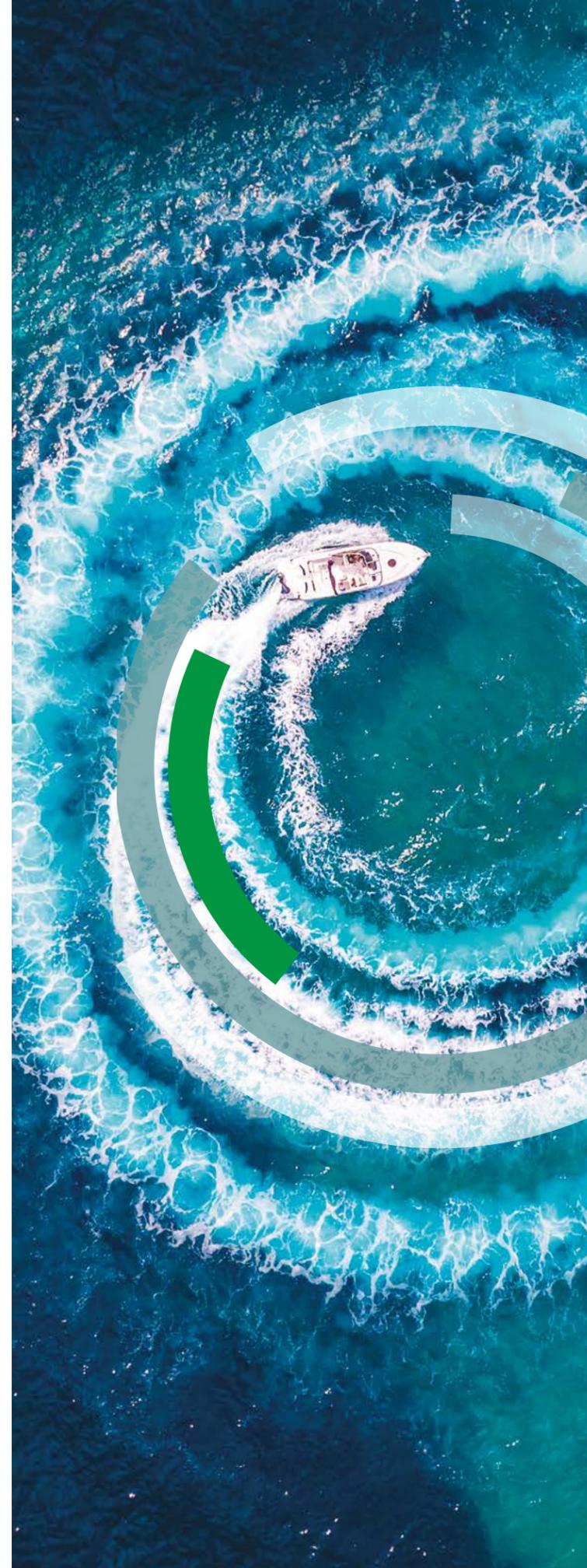
Introducing the business to customers with the right guarantees is key to **participating in tenders or winning contracts**.

### SACE in partnership with GRUPPO FERRETTI

SACE, under its surety policy, insured a Refund Guarantee totalling €12 million issued to the Ferretti Group, one of the world's leading companies specialised in the design, construction, and marketing of recreational vessels, for the construction and export of a motor yacht. This operation attests SACE's endorsement of an innovative sector such as shipbuilding.

SACE and its operating entity SACE BT – which offers products that protect from the risks associated with the construction of facilities and civil works – stand alongside companies by issuing contractual guarantees and sureties required by law, either directly or in partnership with banks and insurance companies.

In 2020, €2.3 billion worth of guarantees were mobilised in this area. The segments that benefited most from SACE's support included the oil & gas production chain, the infrastructure and construction industry, and the shipbuilding industry.



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# The new mandate: combining domestic market support with green energy guarantees

2020 was a year marked by a significant complexity linked to the COVID-19 emergency. The health and economic crisis that ensued has radically altered existing paradigms and market balances. In a context defined by a global recession and the inevitable slowdown in trade, businesses require as much support as possible.

In order to respond to this need, among the various measures put in place by the Italian government, SACE's mandate was broadened in scope beyond its traditional role in supporting exports and now aims to provide practical aid to Italy's economic fabric in both the domestic and international markets.

Specifically, the Liquidity Decree (Law Decree no. 23/2020), the Relaunch Decree (Law Decree no. 34/2020) and the Simplification Decree (Law Decree no. 76/2020) have added important elements to SACE's role in supporting the Italian economy, both during the emergency phase and the subsequent relaunch phase, on a more structural level with a view to strategically backing the country's economic.



We extended our mission beyond our traditional export and internationalisation support, by focusing on our key role in the domestic market and promoting green projects

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## A new role in support of the domestic economy

### SACE in partnership with PASTIFICIO DI MARTINO

The counter-guarantee offered by the “Garanzia Italia” scheme allowed SACE to guarantee a €10 million loan to Pastificio Di Martino, a company from Campania with a leading position in the agri-food sector. This operation helped absorb the shock experienced by the production chain caused by the COVID-19 health crisis and meet working capital requirements by ensuring business continuity and product supply.



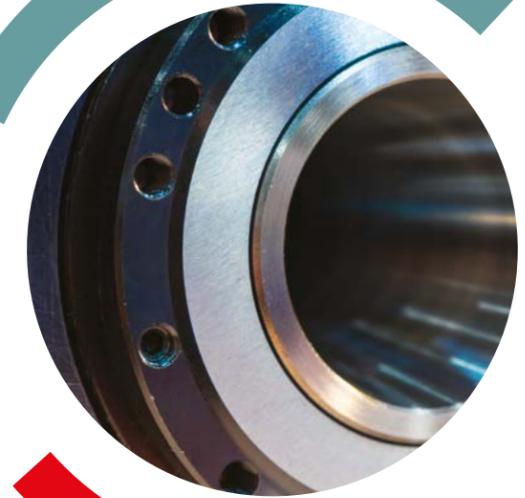
### SACE in partnership with SICILY BY CAR

With a counter-guarantee from the “Garanzia Italia” scheme, SACE has digitally guaranteed four loans worth €19 million to Sicily by Car, a Sicilian business with a leading position in the Italian car rental market. The new resources have been allocated in favour of the working capital of the group, put to use in strategic sectors for the country such as sustainable mobility and tourism.



### SACE in partnership with FONTANA GROUP

Fontana Group, an international company specialised in the engineering and construction of moulds, and the production of aluminium components for the luxury and premium segments of the automotive industry, received a digitally-guaranteed €10 million loan issued by SACE with a counter-guarantee from the “Garanzia Italia” scheme. This operation ensured that the company could fund its multi-year growth and development plans.



During this challenging period, businesses need extraordinary resources and help to tackle the decline in turnover and to improve access to funding. The Liquidity Decree of 8 April 2020 entrusted SACE with an important mission as part of the emergency measures defined by the Italian Government to help Italian companies affected by the crisis. Indeed, SACE set up the “Garanzia Italia” scheme in a very short time, taking full advantage of the experience gained during 40 years as an institution at the service of entrepreneurship.

In particular, the Decree provides that SACE can grant guarantees that are counter-guaranteed by the Italian State on loans from banks. These are intended to bolster net cash flow, an indispensable element for companies that intend to cover personnel costs, investments and working capital in an effort to ensure continuity to economic and business activities.

In 2020 guaranteed loans amounted to approximately €21 billion since the service was launched. Of these, 99% were issued with the simplified procedure (available for smaller amounts), which ensured the guarantees could be processed quickly (within 48 hours) and online (on the corresponding platform on the SACE website, accredited by more than 250 banks, financial institutions and factoring and leasing companies). In light of the continuing crisis, the progress of the vaccination campaign and the compulsory closure of specific sectors, the “Garanzia Italia” scheme has been extended throughout 2021.

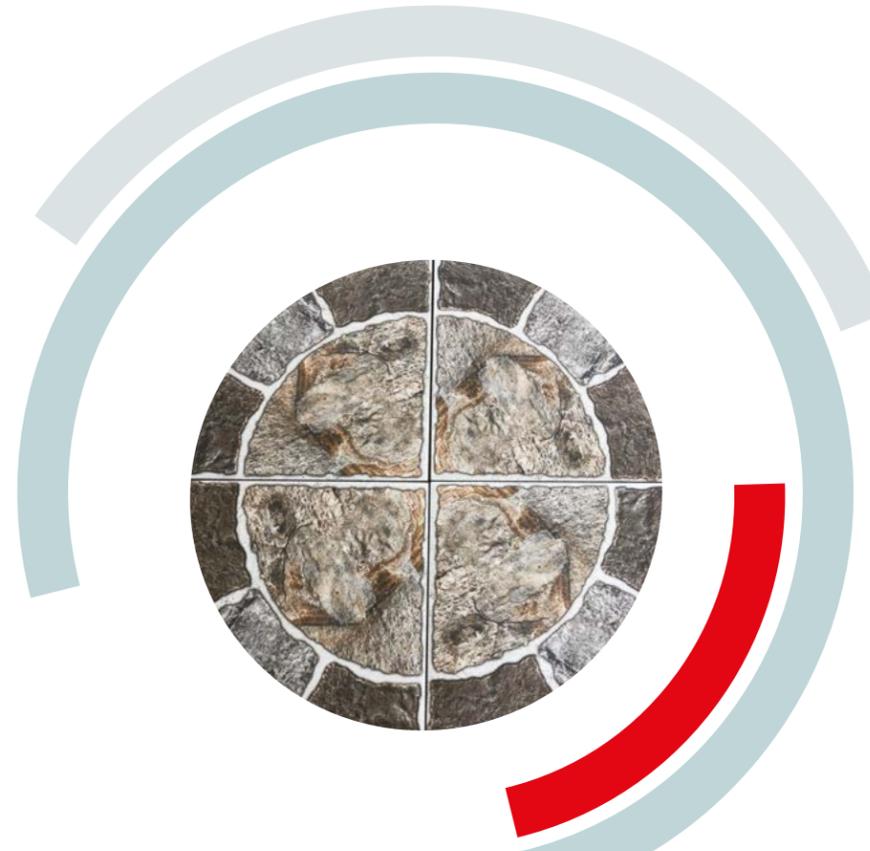
The same Decree includes two other lines of action that involve SACE. The first favours export activities and works as a co-insurance mechanism that is endorsed by the Ministry of Economy and Finance, which provides heightened public support for exports. The second allows SACE to issue, at market conditions, loan guarantees to Italian companies with the intention to support the Italian economy also during the recovery phase with a more structured and long-term approach.

Additional benefits for companies were included in the Relaunch Decree, such as the possibility of applying for significant portions of the non-repayable loans, additional amounts that can be granted, subsidised loans extended to projects in EU countries and the possibility of covering the costs of participation in international trade fairs in Italy and abroad.

In addition, SACE supports short-term credit insurers. Indeed, the Relaunch Decree provides for SACE's intervention to issue guarantees for companies operating in this sector, with the aim of avoiding the closure of credit lines, supporting trade between companies, and allowing them to continue adopting this important tool for credit management. This intervention reactivated credit lines worth €3.5 billion. The five largest market players have signed up for this guarantee: together, they insure approximately 14,000 businesses, 80% of which are SMEs.

Issued by SACE, this guarantee has curbed the negative effects on the Italian socio-economic fabric that originated and are still being generated as a result of the health emergency, while preserving the continuity of trade. On the one hand, this tool stepped up the level of liquidity of companies by making it easier to defer payments, while on the other hand it helped suppliers in the management of their portfolios by providing a continuous monitoring of the credit quality of business partners.

## The new mandate for Italy's ecological transition



The Simplification Decree has assigned SACE with a leading role in the Italian Green New Deal. This programme issues green public guarantees under Italy's ecological transition plan. Sustainability has become even more relevant given its crucial role in Italy's Recovery and Resilience Plan. Green guarantees, guaranteed by the Italian State, aim to finance projects that facilitate the transition to an economy with a lower environmental impact by using low-emission technologies in production cycles to manufacture sustainable goods and services, and by promoting new mobility solution with lower emissions.

The new modus operandi linked to the Green New Deal is part of the broadening in scope of SACE's mandate, one that aims to support the recovery of the Italian economy. In addition, unlike the "Garanzia Italia" scheme, established as an emergency measure backed by State aid during the COVID-19 pandemic, the goal of these green initiatives is to strengthen the competitiveness and relaunch the Italian economy even after the health crisis.

By the end of 2020, SACE had already met up with approximately 200 potential beneficiary companies which were interested in signing up for the guarantee and approved the first funds by mobilising resources totalling €300 million. These funds were part of a maximum coverage of €2.5 billion adopted for 2021 by the Budget Law, a tangible opportunity for businesses of all sizes.

Whether an initiative is eligible or not is assessed on the basis of diligence and in accordance with the taxonomy defined by the European Union. In particular, projects must generate a significant benefit in favour of at least one of the following environmental objectives: climate change mitigation and adaptation; sustainable use and protection of water and marine resources; transition towards a circular economy; prevention and reduction of pollution; and protection and restoration of biodiversity and ecosystems.

SACE is at the forefront in the financial industry. It is the first institution in the sector to issue a green rating for projects, a task that is usually entrusted to specialised agencies. Since this has a direct impact on the pricing definition process, SACE is able to play a key role in the conclusion of the financial transaction.

### SACE in partnership with EF SOLARE

SACE guaranteed a green loan worth €160 million to EF Solare, a leading Italian in the photovoltaic sector with a portfolio of over 300 plants in Italy and Spain. The loan will be used for the retrofitting and repowering of plants in Italy to improve their efficiency and productivity.

### SACE in partnership with SAXA GRES

SACE has supported green manufacturing processes designed by Saxa Gres, a group based in the province of Frosinone that specialises in the production of outdoor flooring in line with principles of the circular economy, with a guarantee on the €10 million tranche of the debenture loan issued by the company. This intervention intends to support investments aimed at introducing a dry milling stage in the production process, which would significantly reduce water consumption, and adding furnaces to ensure lower emissions.



# SACE and its subsidiaries

We cover the needs of Italian companies abroad.

SACE is the Italian Export Credit Agency specialized in supporting businesses and the national economic fabric through a wide range of tools and solutions to support competitiveness in Italy and worldwide.

For over forty years, SACE has been the reference partner for Italian companies that export and grow on foreign markets. It also supports the banking system to facilitate companies' access to credit with its financial guarantees, with a role enhanced by the extraordinary measures provided for by the Liquidity Decree. Recent government measures have broadened the scope of SACE's mandate beyond its traditional support to exports and internalisation by adding important elements such as support for investments on the domestic market and guarantees for green projects in the Italian Green New Deal framework. A new mandate that qualifies SACE as an institution committed to promoting the Italian economic system. With a portfolio of insured operations and guaranteed investments of €156 billion, SACE serves over 26 thousand companies, especially SMEs, supporting their growth in Italy and in around 200 foreign markets.

Since September 2016, SACE owns 76% of **SIMEST**, a joint-stock company which has been supporting the growth of Italian businesses mandated by Law since 1991 by fostering their internationalisation ambitions. SACE wholly owns **SACE Fct**, a joint-stock company operating in the factoring sector, and **SACE BT**, a joint-stock company specialised in issuing credit, surety bonds, and insuring against damage to property.

In turn, **SACE BT** wholly owns **SACE SRV**, a limited liability company specialised in debt collection and information asset management.



# SACE FCT

During 2019, SACE Fct launched the digital factoring platform alongside its traditional factoring services. This service is designed to meet the needs of small and medium-sized enterprises, a segment that is increasingly demanding a new kind of access to financial products: digital, simple, and user-friendly.

The platform has been online since March 2019 and has significantly evolved over the following months. In particular, improvements have been made in terms of both the *customer experience* and the product offering. The initial product offering, which included domestic corporate factoring and invoice trading, has now been extended to include most SACE Fct services: reverse factoring, confirming (assisted by the “Garanzia Italia” scheme), certified receivables from the Public Administration and foreign corporate factoring assisted by promissory notes are also accessible on the platform.

These services received a positive response from the market. In addition to the fact that these services are competitively priced, customers also appreciated the possibility of accessing liquidity in a simple and user-friendly manner, the swiftness of the preliminary appraisal and decision-making processes, the possibility of receiving real-time support for any need during the process of accreditation to the portal and the dedicated assistance with a consultancy-based approach.

96% of customers declared they would use the SACE Fct online services again and 88% were very satisfied with the *customer journey* and the support they received.

## SACE Fct in partnership with PLANET FARMS

SACE, through its product company SACE Fct, intervened by mobilising VAT credits in support of the innovative *start-up* Planet Farms for the construction of the largest and most advanced *vertical farm* in Europe. This Milan-based business specialises in *indoor* and vertical crops that respect the cornerstones of the Italian agri-food tradition. Its business structure is fully integrated and automated, and backs the entire production process, from seeds to packaged products ready for consumption.



# SACE BT

In addition to analysing and protecting against risks in foreign markets, SACE BT also supports businesses – especially SMEs – in the domestic market. This fosters quality business and protects entire Made in Italy production chains.

The traditional products related to the risk coverage of non-payment, contractual guarantees and construction site protection are complemented by those aimed at market niches. These include second-level credit coverage for businesses that are already insured for the same risk or joint coverage that combines protection against risks such as fire, theft, flooding and non-payment, a suitable option for micro-sized companies that do not currently adopt adequate solutions to serve their operational and credit capacities.

The constant search for product innovation requires listening to the demands of the Italian industrial fabric. SACE BT – together with SACE and its subsidiaries – has been able to reap the rewards stemming from the key market trends and even anticipate some of them. In particular, it has grasped the opportunities that ensue from the digitalisation of the services now available on the SACE digital platform, with solutions for companies of all sizes.

## SACE BT in partnership with SIDERURGICA FIORENTINA

SACE, through its product company SACE BT, signed a policy with Siderurgica Fiorentina, an Italian business that operates in the steel industry.

The second-level credit coverage enabled SACE BT to increase the company's creditworthiness to attract a number of foreign and Italian debtors.



# SACE SRV

In 2020, SACE SRV refined and advanced its credit recovery services by further digitalising the process and simplifying the product.

A new multi-channel commercial approach has been implemented with the aim of increasing the number of companies that turn to SACE SRV and supporting their needs. This approach also targets businesses that are not engaged with SACE to reach as many customers as possible. To this end, SACE established new contact channels, enhanced commercial partnerships with leading operators and implemented digital platforms in collaboration with two of Italy's leading banks.

During the year, SACE SRV noted an increase in exposure in increasingly complex countries such as Libya, Cuba, and Venezuela, where recovery has slowed down in view, among other factors of the geo-political issues affecting these countries. Turning to a partner specialised in international credit recovery such as SACE SRV to handle these insolvencies can be decisive.

## SACE SRV in partnership with a UNIVERSITY HOSPITAL

SACE, through its product company SACE SRV, recovered credits worth over €50 thousand claimed by a leading university hospital from various counterparts in the United Kingdom, Switzerland, and Morocco. Given these credits were outstanding receivables due from laboratories, pharmaceutical companies and hospitals, only out-of-court negotiations were concluded in view of the delicate situation in the industry, especially during the pandemic.

# SIMEST

The extended lockdown and logistical limitations caused by the COVID-19 pandemic have made visible the importance of digitalisation, an irreversible transformative process that will generate lasting and structural effects on consumption patterns. By now it is clear that those businesses that wish to remain competitive on the international stage need to innovate and grow to seize new opportunities offered in the digital sphere. In an effort to help Italian companies, and especially SMEs – which are often more resistant to change – to take advantage of the benefits of e-commerce and reach consumers and business partners throughout the world, SIMEST has introduced and enhanced the tool that allows businesses to finance, at a reduced rate, all the main expenses required to join a marketplace or establish an e-commerce platform.

Specifically, it extended this service to e-commerce platforms operating under any domain and raised the maximum issuable amount of the subsidised loan from €300 thousand to €450 thousand. This decisive action will help businesses bridge the technological gap with global competitors when it comes to digitalisation.

## SIMEST in partnership with EUROSTYLE

Eurostyle, a company based in Campania with over 30 years of experience in the conception, design, and marketing of cosmetics and body care products, has benefited from a SIMEST loan worth an increased €450 thousand, of which €100 thousand non-repayable. The loan will fund an e-commerce portal targeting Brazilian customers in an effort to supply this market directly and improve margins.

# What we offer

## Solutions

Our range of insurance and finance solutions has expanded over the years and today can cover all the needs of companies in terms of exports and internationalisation. The broadened scope of the SACE mandate has added important elements to our offer by extending our guarantees to the domestic market and green projects.



### Financial guarantees

Grants easier access to loans and credit lines to support company growth in Italy and abroad.



### Credit insurance

Protects Italian companies from the risk of insolvency and enables them to offer payment term extensions to their foreign customers.



### Loans and investments

Lead Italian companies on a path to growth by offering them guarantees to help them secure financing.



### Surety bonds

Enables Italian businesses to participate in international tenders and to obtain the guarantees required by the customers.



### Construction protection

Enables Italian businesses to approach all construction-related activities with peace of mind, both in Italy and abroad.



### Customers & market advisory

SACE offers an evaluation of the creditworthiness of Italian and foreign customers, market studies and research on countries and sectors, training, and advisory services.

## Find your “TEM”

A new service to improve the international outreach of SMEs



The services offered by SACE in support of Italian businesses has been further enriched by the introduction of a free, fully digital platform which allows companies to select their Temporary Export Manager, an industry professional that can support them in the creation of a development plan tailored to access international markets and grow.

An innovative solution that responds to the needs of companies, especially those taking their first steps in exporting their products. The online configurator enables businesses to establish a touchpoint between companies that pursue internationalisation and consultants by selecting the industry and destination of their exports, and selecting the TEMs that match their needs.

Temporary Export Managers help lay the foundation for a solid international strategy. The delicate task of an industry professional like the export manager is to exhaustively commit to the interests of the company, before and after the big step abroad, by mapping the international potential of products and services, identifying the main markets, and defining the entry strategy to be adopted for each market.

# Italy Map and Risk Map

20 Italian Regions analysed and approximately 200 Countries in the world monitored



The publications and analyses of SACE's Research Department help companies navigate the global market and establish well-informed and structured internationalisation strategies.

# SACE Education

SACE's new training *hub* offers Italian companies an innovative and free support designed to help them reconsider their risk management strategies in light of the current situation by implementing more rigorous approaches and models to the analysis and understanding of markets and fostering a more attentive culture of sustainability and digitalisation.

In an effort to respond to the complexities of the new economic situation and effectively support the recovery of the Italian economy, SACE has strengthened its educational offer by focusing on three themes. In addition to training connected with exports and internationalisation, which remains the foundational of our value proposition, we added new approaches to support the green and digital transition of the companies we service, both in Italy and abroad, and to support infrastructure development in Italy. The launch of SACE Academy comprises the third major innovation. This programme provides training in partnership with leading Italian universities and is aimed at recent graduates and young professionals who hold the key to Italy's future and its competitiveness in the global economy.



## Education to Export

### Education to export

Digital courses organised as export kits and specialised local meetings on exports and internationalisation issues geared towards real business needs and tailored to SMEs.



## SACE Academy

### Academic training

Certified academic training in collaboration with universities and training institutions that aims to strengthen the technical expertise and specialised business skills in topics such as sustainable growth, business risk management and internationalisation strategies by providing companies with useful tools to set off their recovery.



## Infrastructure, Green & Digital

### Training beyond export

SACE's experience is made available to Italian companies so as to accompany them towards the green transition and take advantage of the opportunities designed to foster digitalisation processes and support Italy's infrastructure.

# The domestic and international network

With 14 offices in Italy and over 40 years of experience, SACE supports businesses on the ground, working side-by-side to develop successful international strategies. Counting on a local network with transversal skills ranging from export know-how to digital competence, it accompanies companies in their search for the most suitable solutions in terms of growth in Italy and abroad. SACE's service model also includes the export coach, an industry professional focused on SMEs with a consultancy-based approach. The offices in Italy also play an important role in broadening and strengthening the partnerships with banks, trade associations and institutions by offering an increasingly synergistic service focused on companies.

Internationally, the SACE network includes 10 offices located in geographical areas that are strategic for Italy's exports. The foreign branches monitor the country's potential by nurturing relationships with banks and institutions as well as leading local counterparties. Monitoring emerging and border economies is particularly important for the Made in Italy in order to facilitate the diversification of target markets of Italian businesses which are often focused on neighbour and traditional areas.



**14** offices  
in Italy

**12** offices  
around  
the world

A strategic partner  
at the service of  
businesses



# Our offices

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The image features a central white circle containing text and social media icons. This circle is surrounded by several concentric rings of varying shades of blue and grey, some of which are partially filled with red and green segments. The background is a deep blue gradient with a pattern of white, curved lines resembling star trails or light trails, creating a sense of motion and depth. At the bottom of the image, a dark blue horizon line separates the starry sky from a dark, textured sea.

[www.sace.it](http://www.sace.it)

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