



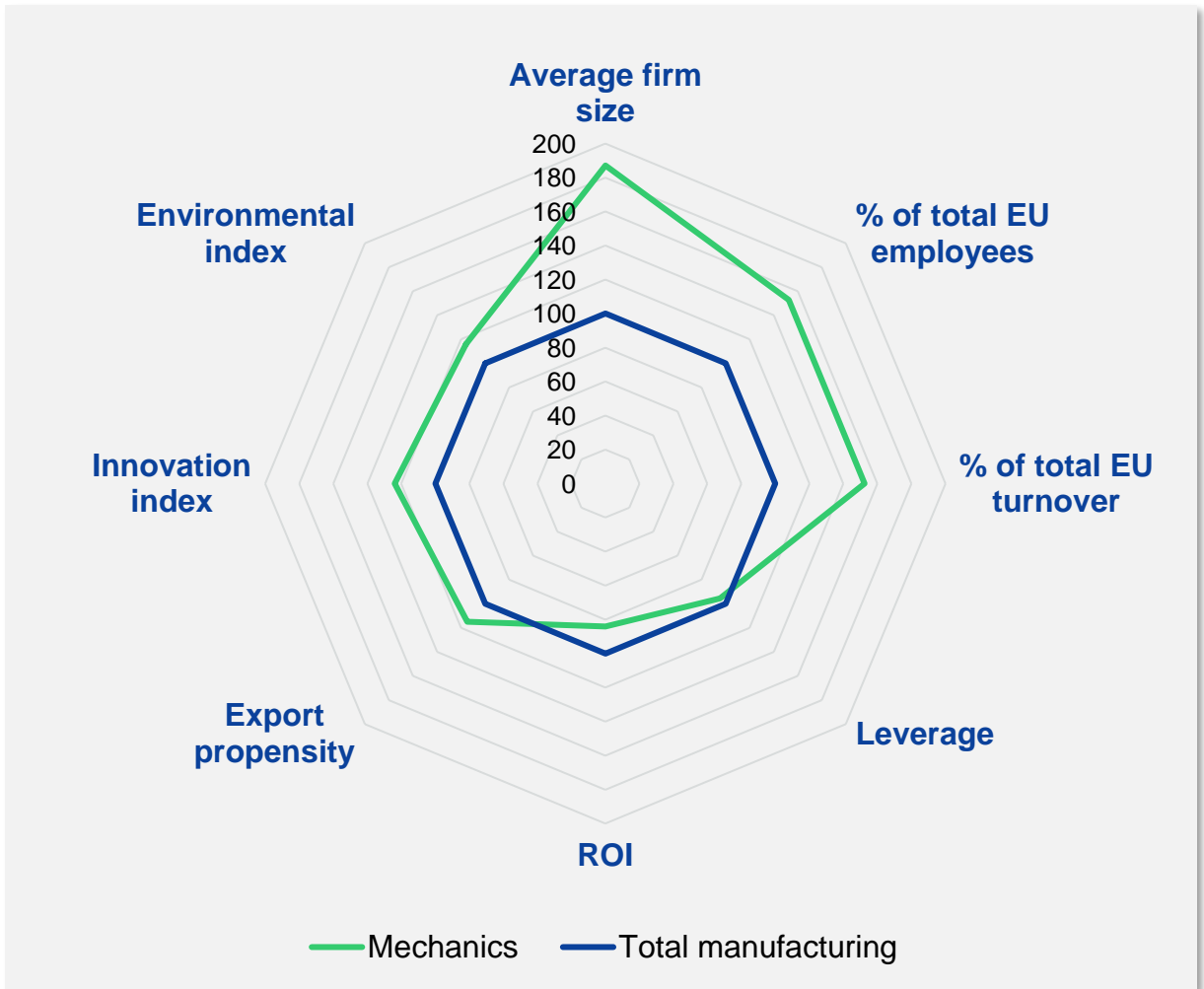
The Mechanics industry in Italy

Sector Kit 2024



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Overview



Source: Eurostat, Prometeia

Key Insights

- The **Italian Mechanics industry constitutes a significant segment of the European Mechanics sector**, both in terms of turnover and number of workers employed.
- **Companies in the Mechanics sector are**, on average, **larger, more export-oriented, and more innovative** compared to the manufacturing sector, while also **generating fewer GHG emissions** per unit of output with respect to the benchmark.
- Conversely, **they align with the manufacturing industry in terms of financial stability and profitability**, although they have experienced a slightly weaker performance in recent years due to the COVID crisis.

Number of firms and sector characteristics

Year 2022		Number of enterprises	Turnover mln €	Number of employees
Mechanics	Value	16 521	113 950	366 330
	% on total manufacturing	4.5%	8.4%	9.6%

Breakdown by subsector

General-purpose machinery	Value	7 714	58 426	192 475
	% on total manufacturing	46.7%	51.3%	52.5%
Agricultural machinery	Value	1 383	13 267	31 344
	% on total manufacturing	8.4%	11.6%	8.6%
Machine tools	Value	1 923	11 636	40 946
	% on total manufacturing	11.6%	10.2%	11.2%
Special-purpose machinery	Value	5 501	30 621	101 565
	% on total manufacturing	33.3%	26.9%	27.7%

Breakdown by firm size class¹

Micro	Value	10 301	6 220	37 773
	% on total sector	62.4%	5.5%	10.3%
Small	Value	4 305	18 984	89 635
	% on total sector	26.1%	16.7%	24.5%
Medium	Value	1 532	32 194	105 520
	% on total sector	9.3%	28.3%	28.8%
Large	Value	383	56 552	133 402
	% on total sector	2.3%	49.6%	36.4%

Source: Prometeia Structural Database

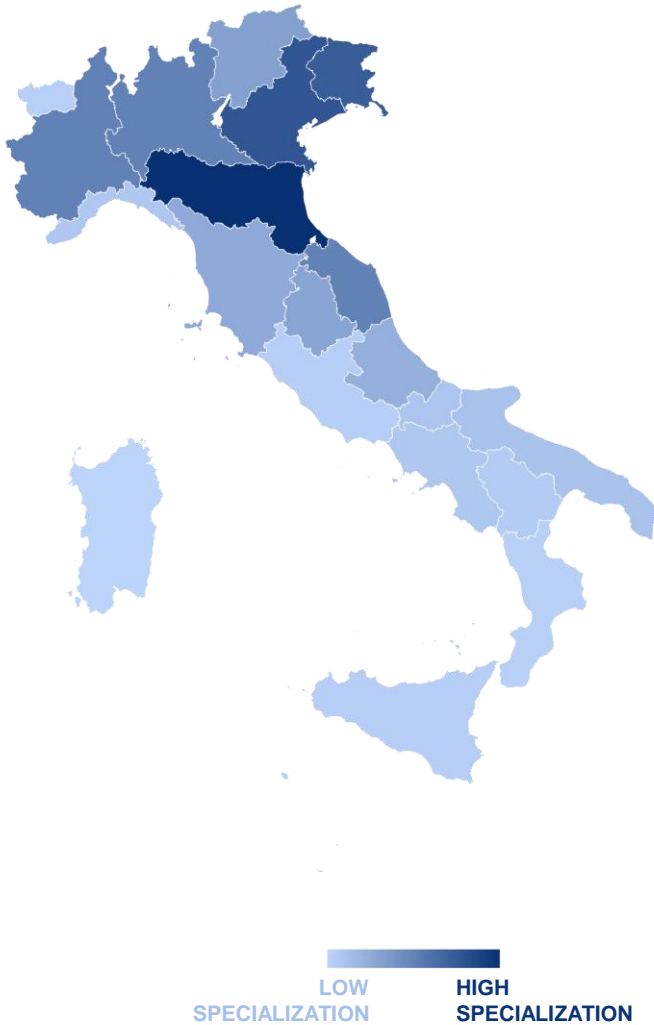
Key Insights

- With over 16 thousand companies employing approximately 366 thousand people and generating a turnover of around 114 billion euros in 2022, **the Mechanics industry is a crucial sector in the Italian economy, accounting for 8.4% of the total manufacturing turnover.**
- The majority of the industry turnover comes from the **General and Special-purpose machinery subsectors** (collectively around 89 billion euros in 2022).
- Micro and small companies collectively represent 88.5% of the total number of enterprises.** The 383 large companies generate around 50% of the turnover of the industry, a lower figure with respect to the manufacturing benchmark.

1. As a reference, manufacturing in Italy has the following structure:

- Number of enterprises: Mic. 84.9%, Sm. 10.8%, Med. 3.3%, Large 1%
- Turnover: Micro 8.6%, Small 12.4%, Medium 18.7%, Large 60.3%
- Number of employees: Mic. 26.7%, Sm. 21.7%, Med. 19.7%, L. 31.9%

Specialized districts or regions



Top 5 region by specialization, 2021	Specializ. index ¹
Emilia-Romagna	2.4
Veneto	1.9
Friuli-Venezia Giulia	1.8
Piemonte	1.3
Marche	1.2

Top 5 region by number of empl., 2021	Number of employees
Lombardia	98 134
Emilia-Romagna	83 236
Veneto	70 097
Piemonte	35 905
Toscana	16 848

Source: Istat

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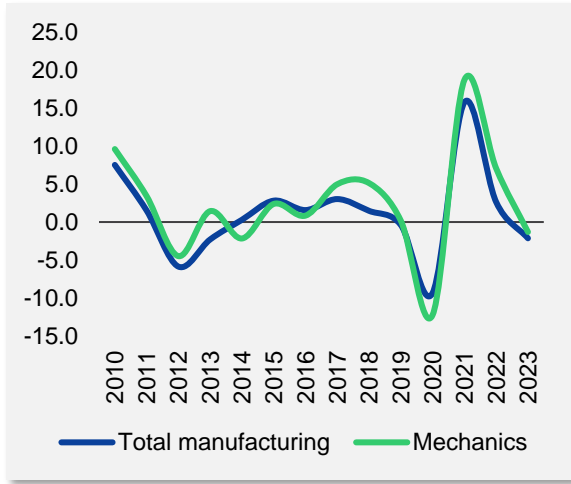
Key Insights

- Regions specialized in the Mechanics industry are predominantly clustered in **Northern Italy**, whereas the Center (except for Marche) and the South exhibit lower scores. **Emilia-Romagna leads the ranking**, with a specialization index of 2.4, followed by Veneto and Friuli-Venezia Giulia. In this region, the **mechatronics district in Reggio Emilia** is particularly relevant.
- The region with the highest employment in the Mechanics industry is **Lombardia**, driven also by the **district of instrumental mechanics located in Milano and Monza**. Emilia-Romagna (83 thousand) and Veneto (70 thousand) follow in the ranking.

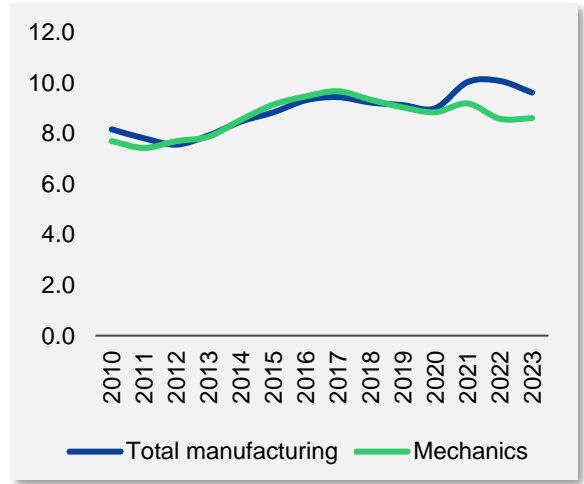
1. Here, the Specialization Index is calculated as the ratio between a region's sector-specific number of employees as a percentage of total regional number of employees and the same ratio at the national level. A region is considered specialized when the index value exceeds 1.

Industry financials

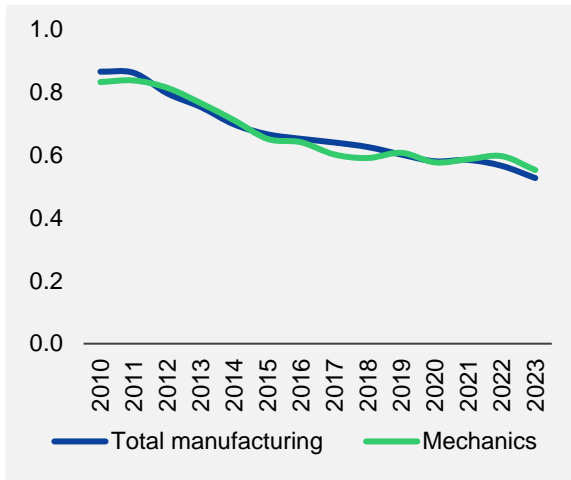
Turnover (Constant Prices, YoY change %)



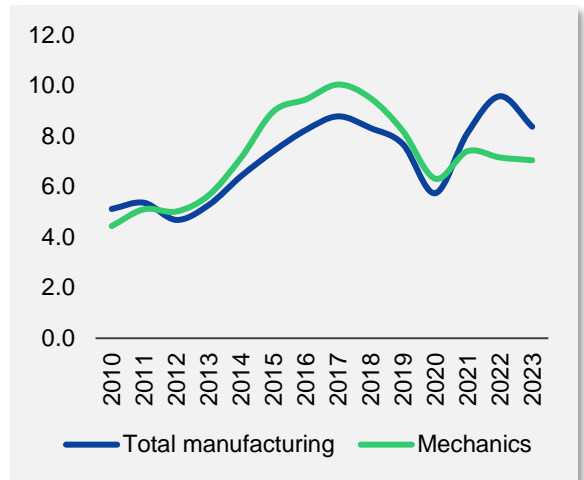
EBITDA



Leverage



ROI

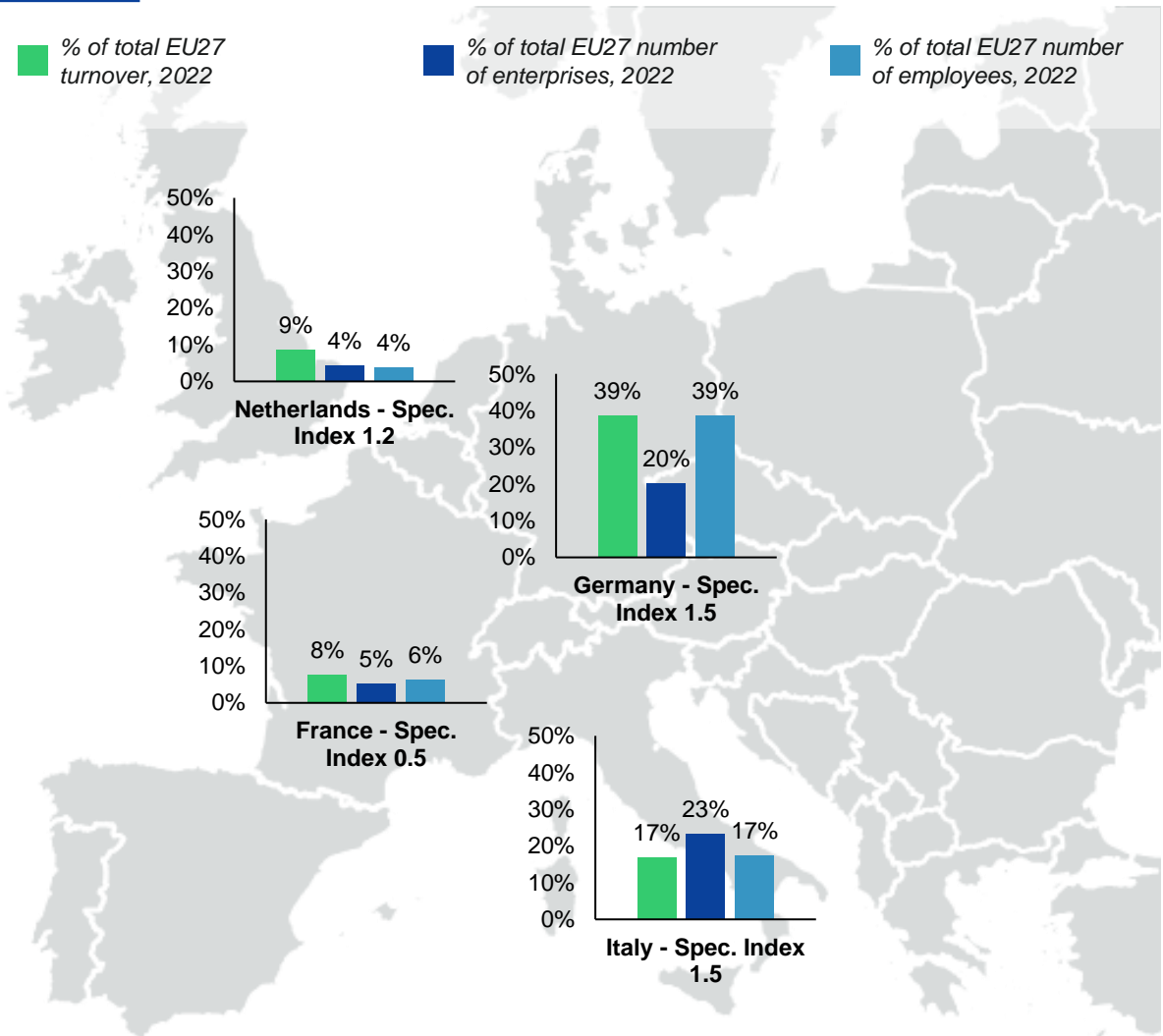


Source: Prometeia Financials Database

Key Insights

- The Mechanics turnover exhibits a strong correlation with the manufacturing benchmark. Following a downturn in **2020 due to COVID-19, the sector experienced a double-digit increase in 2021. Growth slowed down in 2022 and turned negative in 2023**, although less than the benchmark.
- **Financial stability is on a positive trend** of shrinking debt-to-equity ratio, in line with the manufacturing industry after the pandemic (equal to 53% in 2023).
- The **sector's profitability**, which before 2020 exceeded the manufacturing industry benchmark, has not fully rebounded from the pandemic. Both ROI and EBITDA indicate that, although profitability remains at **historically moderate levels**, there is **potential for improvement**.

International benchmarking



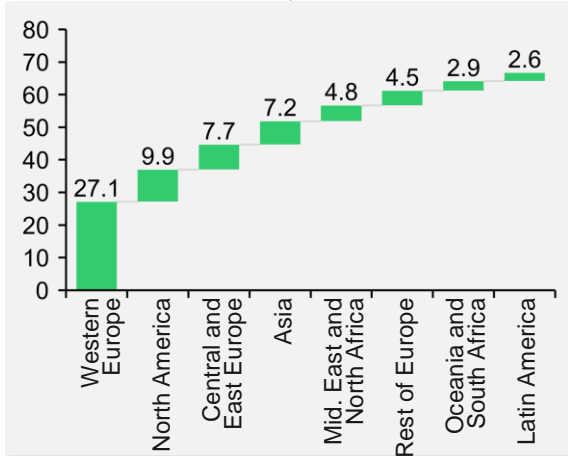
Source: Eurostat, Prometeia Structural Database

Key Insights

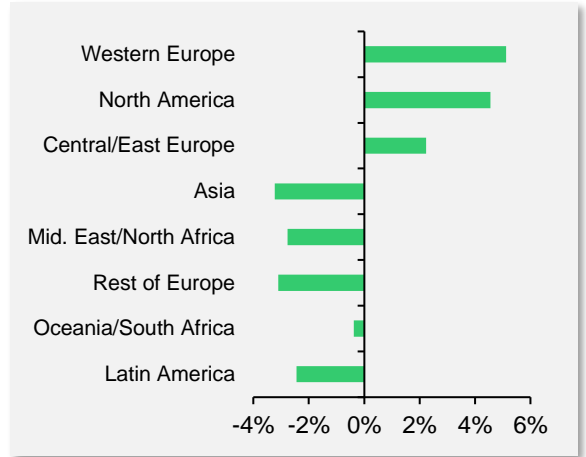
- The Italian Mechanics industry plays a relevant role at the European level as well, placing itself in the top 3 of the EU27 countries ranking for employees, enterprises, and turnover of the sector.
- **Italy represents the country with the highest number of companies in the sector** (23% of the total workers employed in the sector in the EU), closely followed by Germany (20%). Furthermore, the Mechanics sector accounts for about 17% of the total industry turnover in the EU.
- The country specialization index indicates that **Italy is quite specialized in the Mechanics sector**, similarly to Germany.

International trade

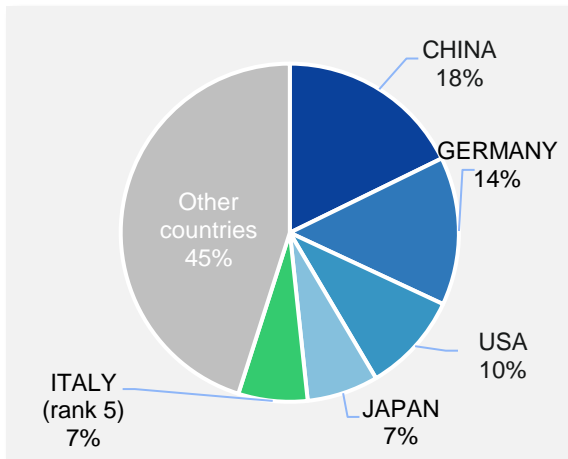
Italian export by area of destination
Bln \$, 2022



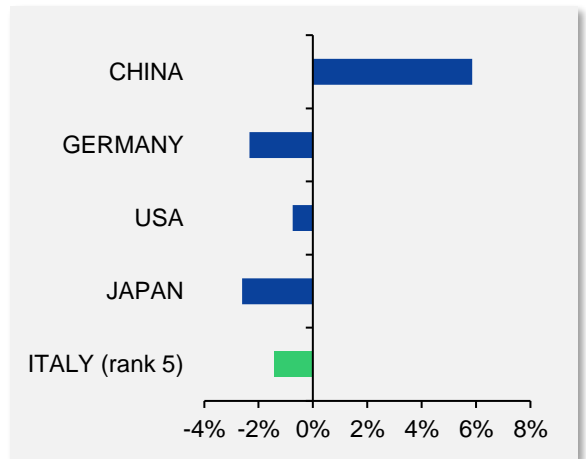
Italian export by area of destination
Var 2013-2022 of the share



World main exporters
% on total world exports, 2022



World main exporters
Var 2013-2022 of the share



Source: Prometeia Fipice Database

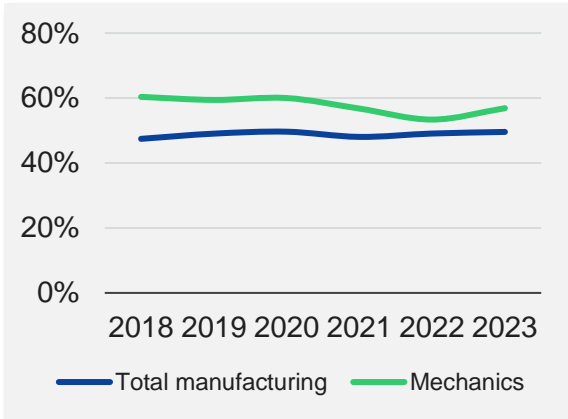
Key Insights

- In 2022, **Western Europe represents the main region of destination** of Italian exports in the Mechanics industry (around 27 billion dollars), with a +5% in the share of export with respect to 2013. **North America** takes second place in the recipient ranking in 2022, also increasing in market shares over the last decade (+5%). On the other hand, Italian Mechanics exports towards Asia and the Middle East lose ground with respect to 2013 (-3%).
- Globally, **Italy is the 5th exporter of Mechanics products**, with a 7% total export share in 2022, **losing out in the last ten years** (-1% with respect to its 2013 share) especially to China (+6%).

Competitive advantages of Italian firms

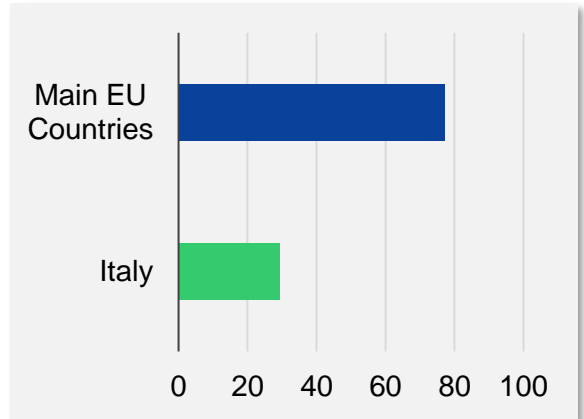
Export propensity

(ratio between exports and production value)



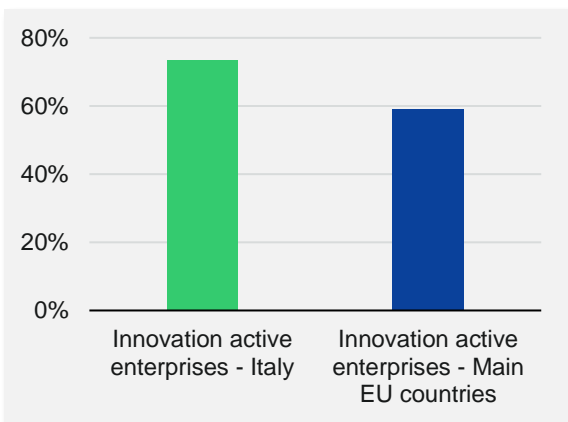
Emission intensity

(GHG grams per € of value added)



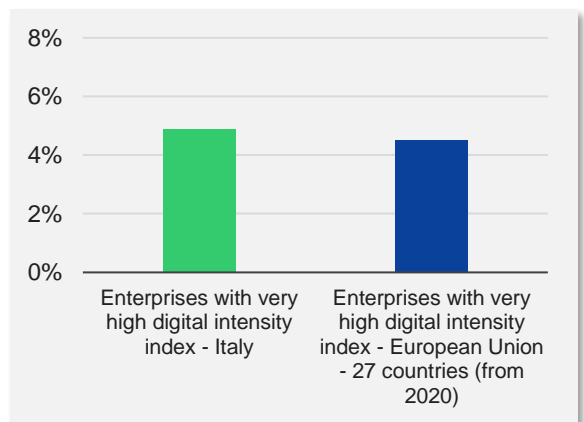
Innovation propensity

(% of innovative firms on the total)



Digital intensity

(% of digital advanced firms on the total)



Source: Eurostat, Prometeia Economics Database

Key Insights

- The Mechanics industry shows a **higher export propensity compared to the manufacturing benchmark**, gravitating around 58% of sectorial turnover coming from exports in the last 6 years.
- Italian companies in the Mechanics sector have shown consistent effort **towards innovation activities and digitalization**: the share of innovative companies exceeds 73%, exceeding the average of the main EU countries, while the share of companies with a very high score in digital intensity is in line with the EU27 average (both around 5%).
- **Italian companies in the sector are also significantly more sustainable** than the main EU countries in terms of GHG emissions per output produced.

Notes

Industry definition

- The analysis encompasses activities classified under NACE Rev.2 codes 28.2, 28.3, 28.4, 28.9 (except for 28.92).

Data sources

- Information on the industry structure, characteristics, trade data, and financials are sourced from official statistics (Eurostat, ISTAT) and Prometeia Databases (Structural, Financials, Economics, Fipice).
- Financial data for the year 2023 are estimates based on currently available information.

Overview

- The radar chart on page 3 illustrates the industry's positioning relative to the entire Italian manufacturing sector across various indicators. The manufacturing index is standardized to 100, and the index value for the specific sector indicates its performance against this benchmark. An upper limit of 200 is set to facilitate graphical representation.

International Benchmarking

- The charts on page 7 present data for the top four countries in the European Union by sector turnover.
- Some EU countries do not provide complete information; however, this limitation is confined to smaller countries and does not affect the reported rankings.

Competitive advantages of Italian firms

- *Export propensity* is calculated as the ratio of export value to production value within the sector.
- *Innovation propensity* is an index representing the percentage of “innovation-active enterprises” over the total number of respondents to the Eurostat Community Innovation Survey (CIS), referring to 2020.
- The *Digital Intensity Index (DII)* is a composite indicator, derived from the survey on ICT usage and e-commerce in enterprises. Here, the share of enterprises with high or very high digital intensity as of 2021 is represented.
- *Emission intensity* is calculated as the ratio between GHG emissions of the sector in grams and the industry's production value (or gross value added, depending on the most relevant indicator) at current prices, based on data from 2021.

