



Food Industry Monitor

Traditional knowledge, creativity and innovation

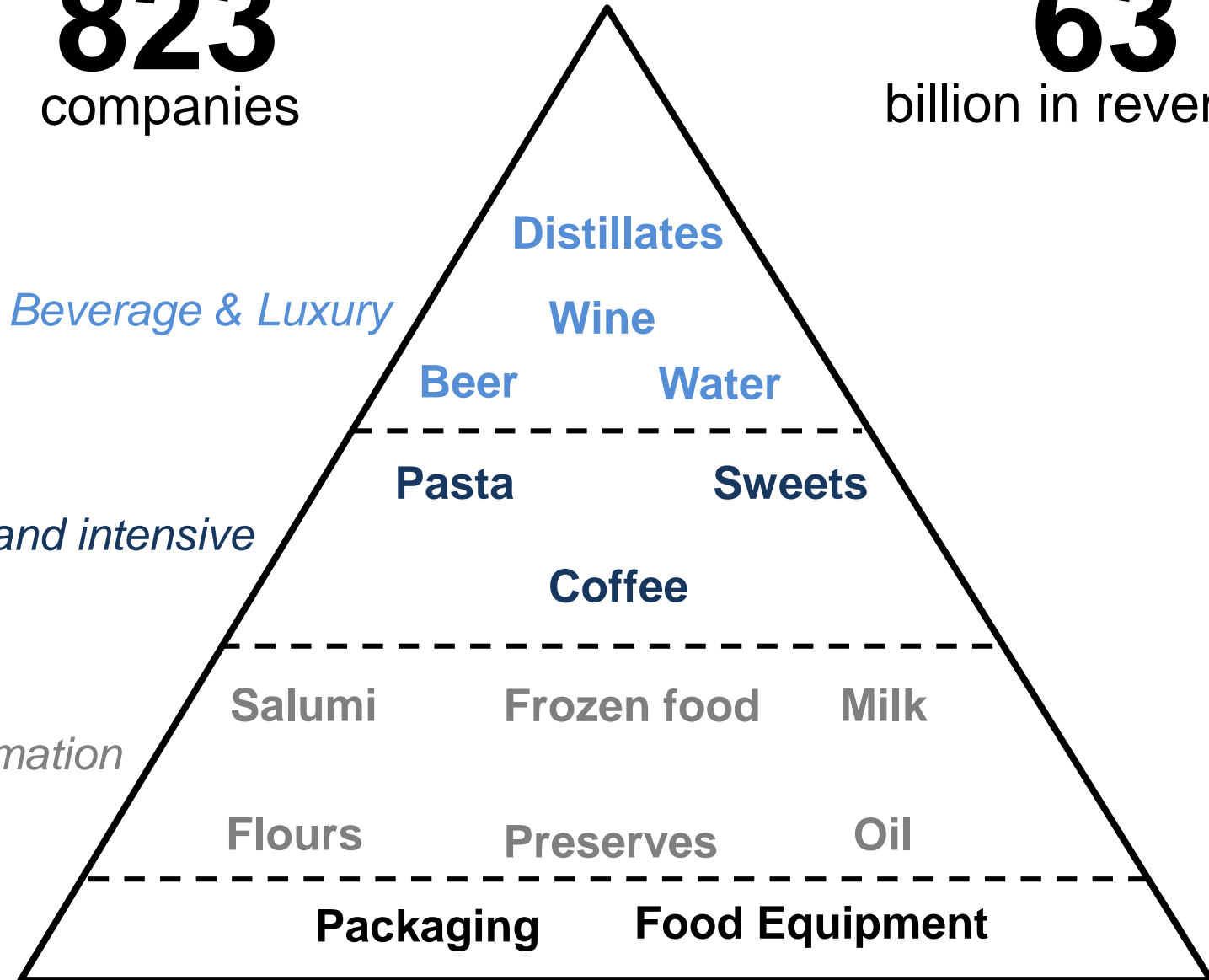
Prof. Carmine Garzia

Pollenzo, 19 June 2019

The sample analysed 2009-2018

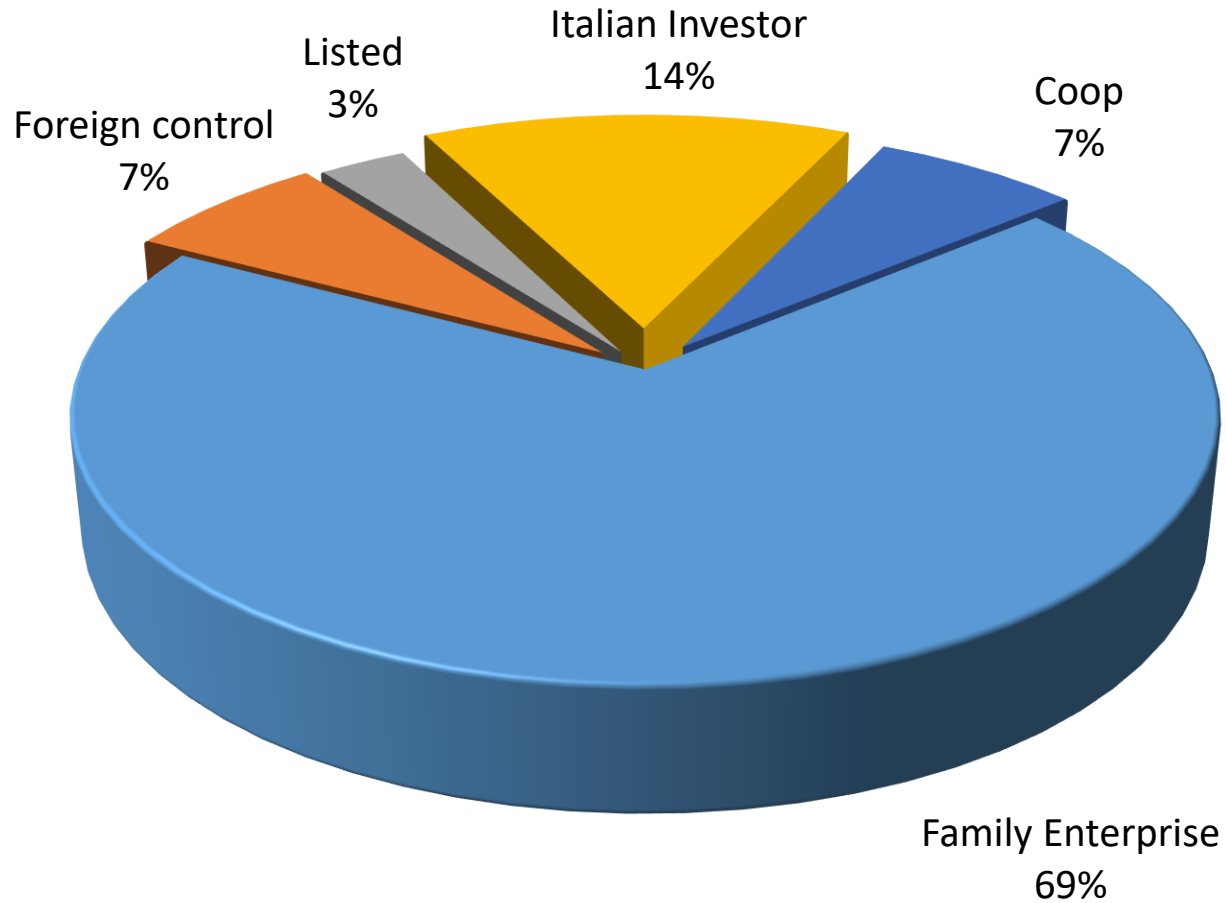
823
companies

63
billion in revenues



The sample analysed

Company ownership structure

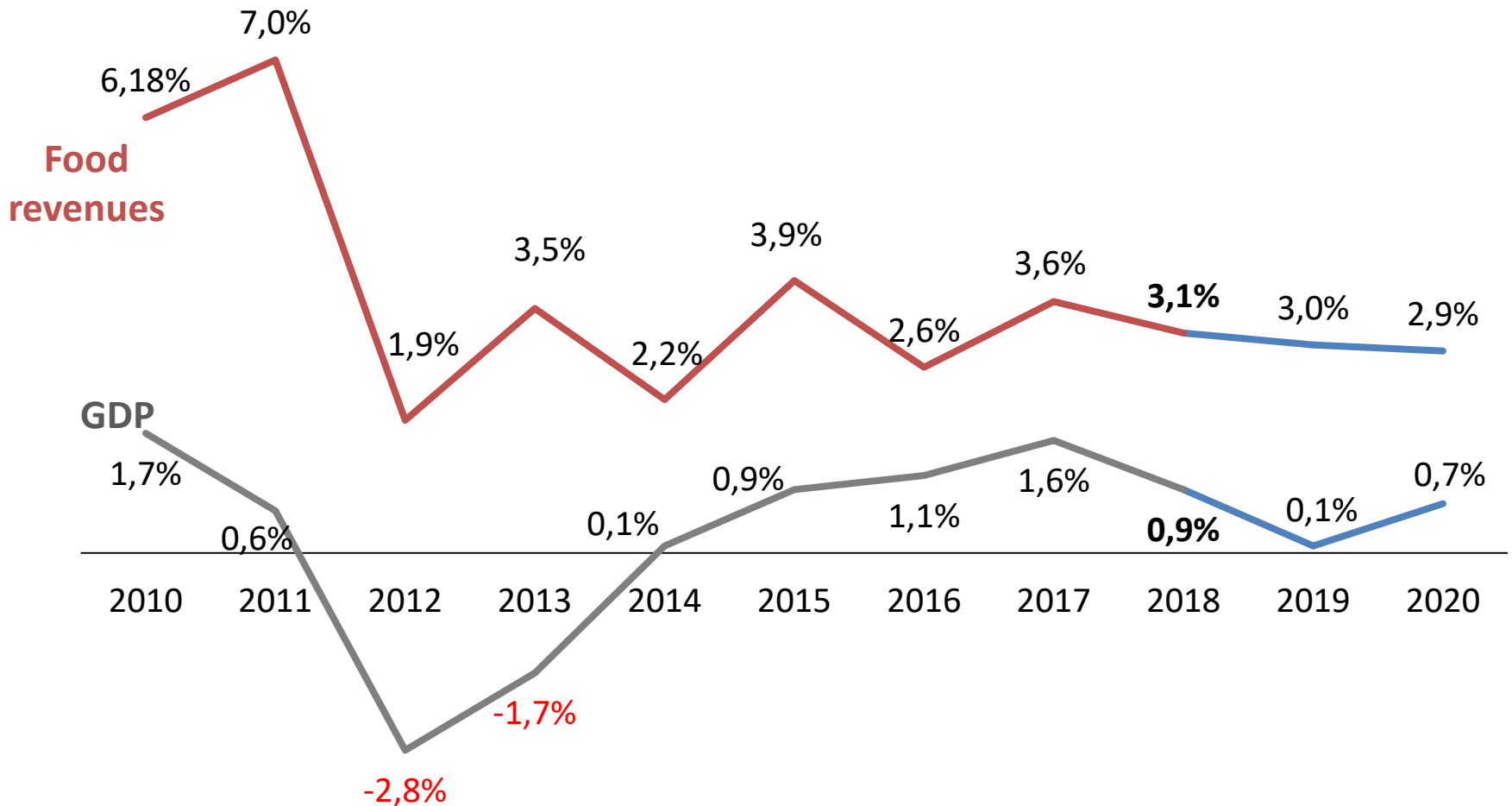


Percentages calculated on the number of companies



Sector performance
Trends and forecasts

Growth



Source: our elaborations and EU Commission, Economic forecast for Italy, spring 2019.
*2019, 2020: Forecast



Economic growth forecasts for Italy

The short-term growth scenario continues to be characterised by considerable uncertainty

GDP growth forecast for 2019

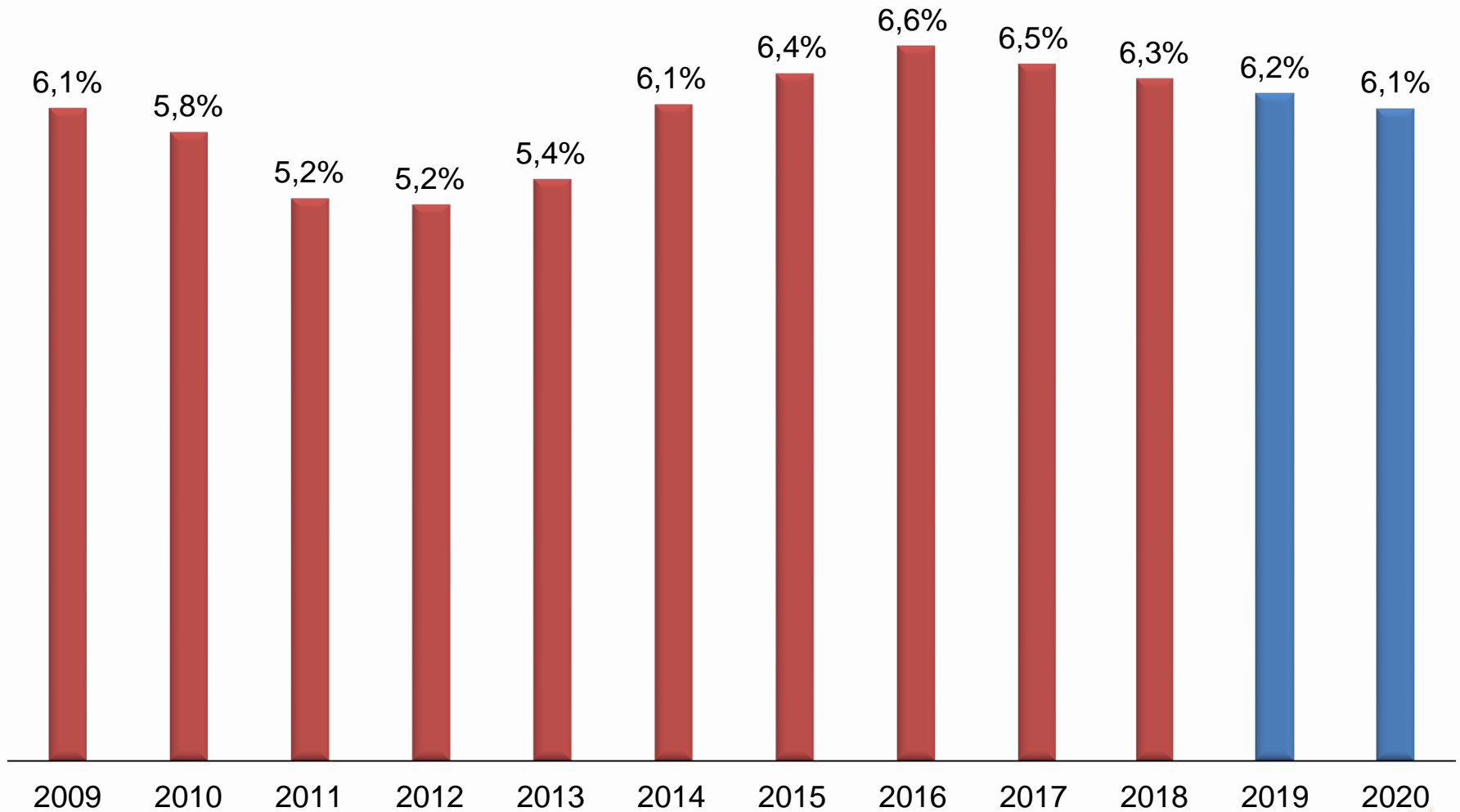
Spring 2018	1,2%
Summer 2018	1,1%
Autumn 2018	1,2%
Winter 2019	0,2%
Spring 2019	0,1%

Source: European Commission



Commercial profitability

ROS sector Food (2009 - 2020)

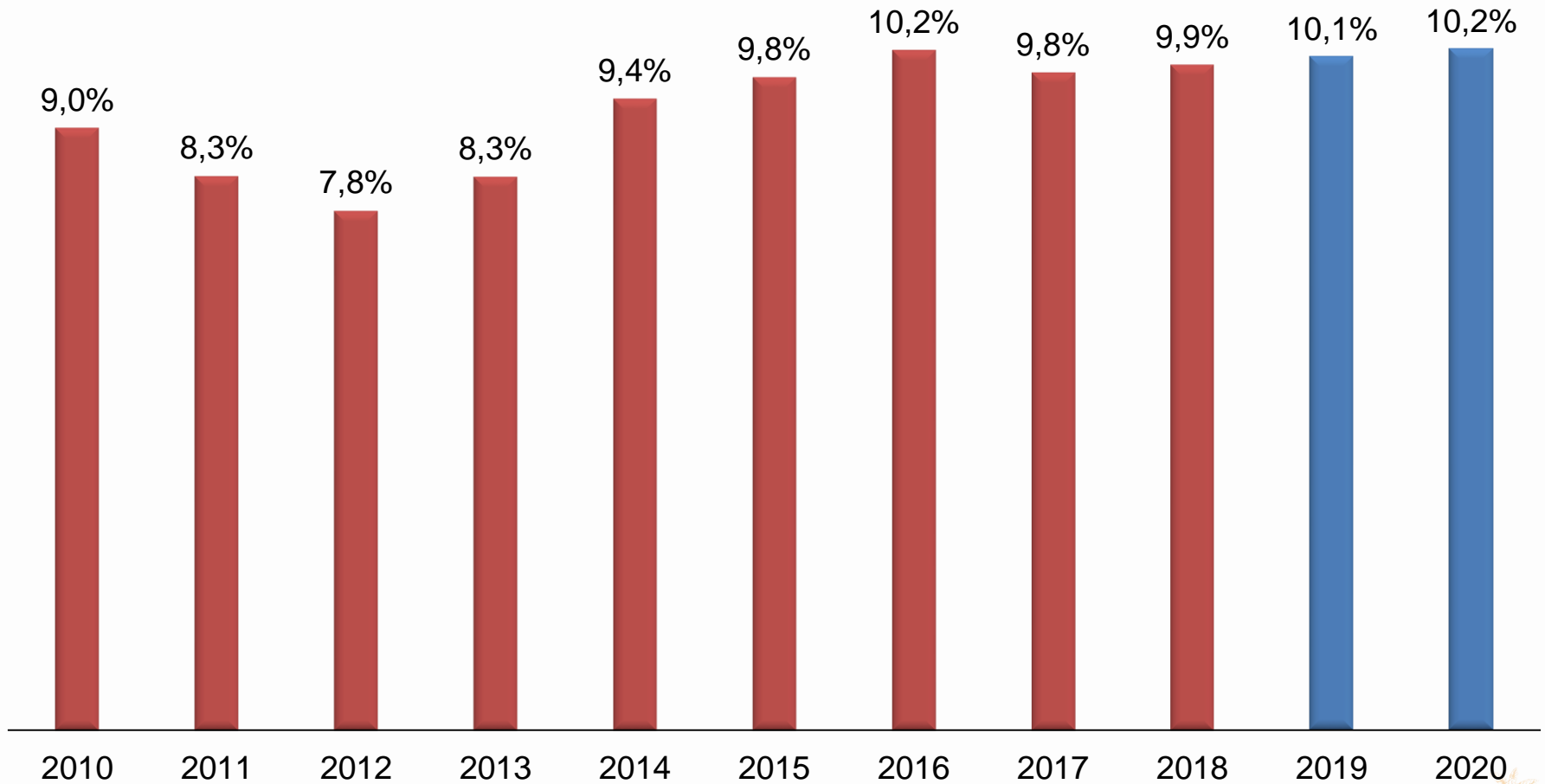


2019, 2020: Forecast



Return on investment

ROIC sector Food (2009 - 2020)

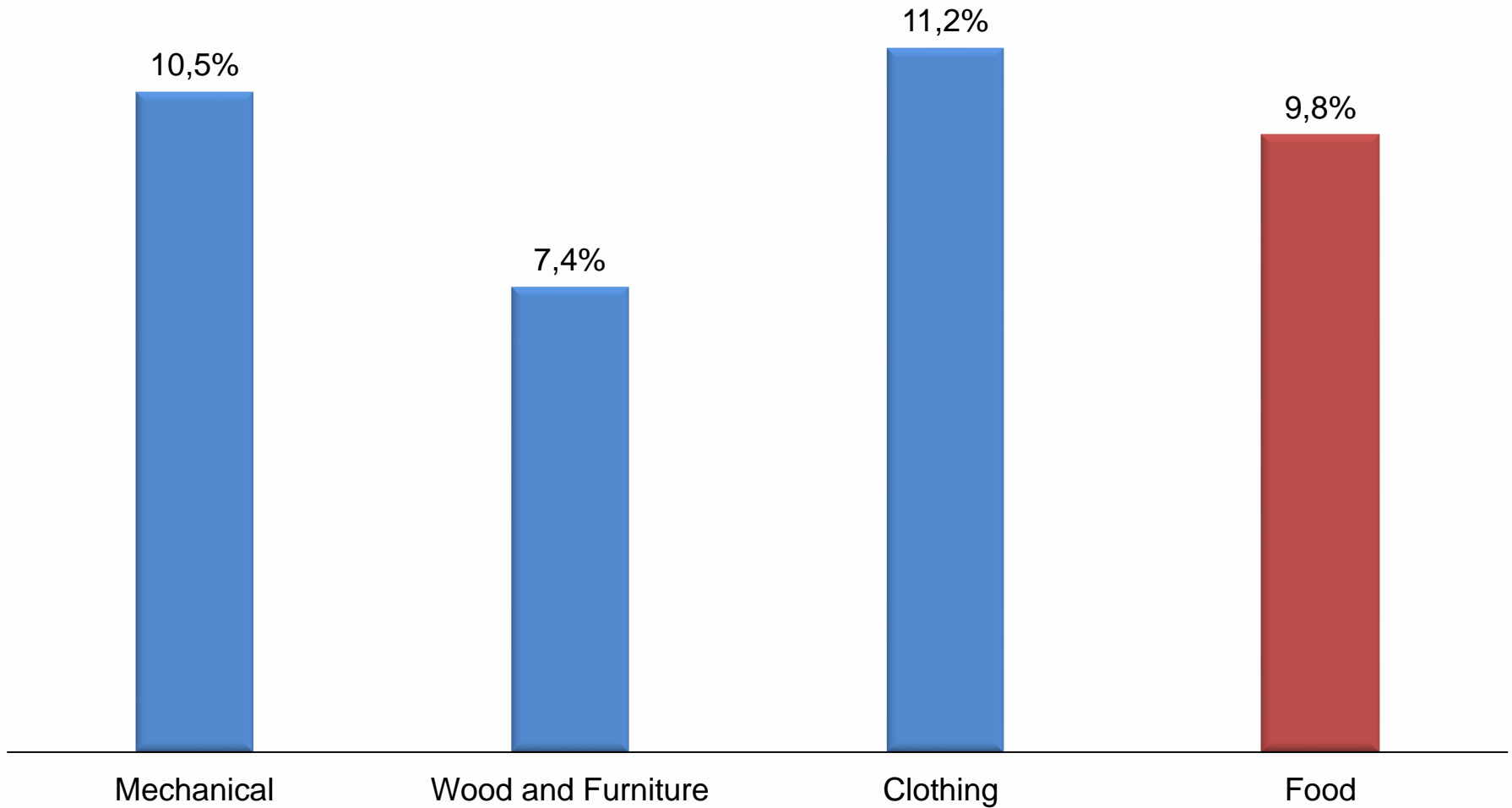


2019, 2020: Forecast



Comparison with other sectors - Profitability

Profitability of invested capital - ROIC (2017)

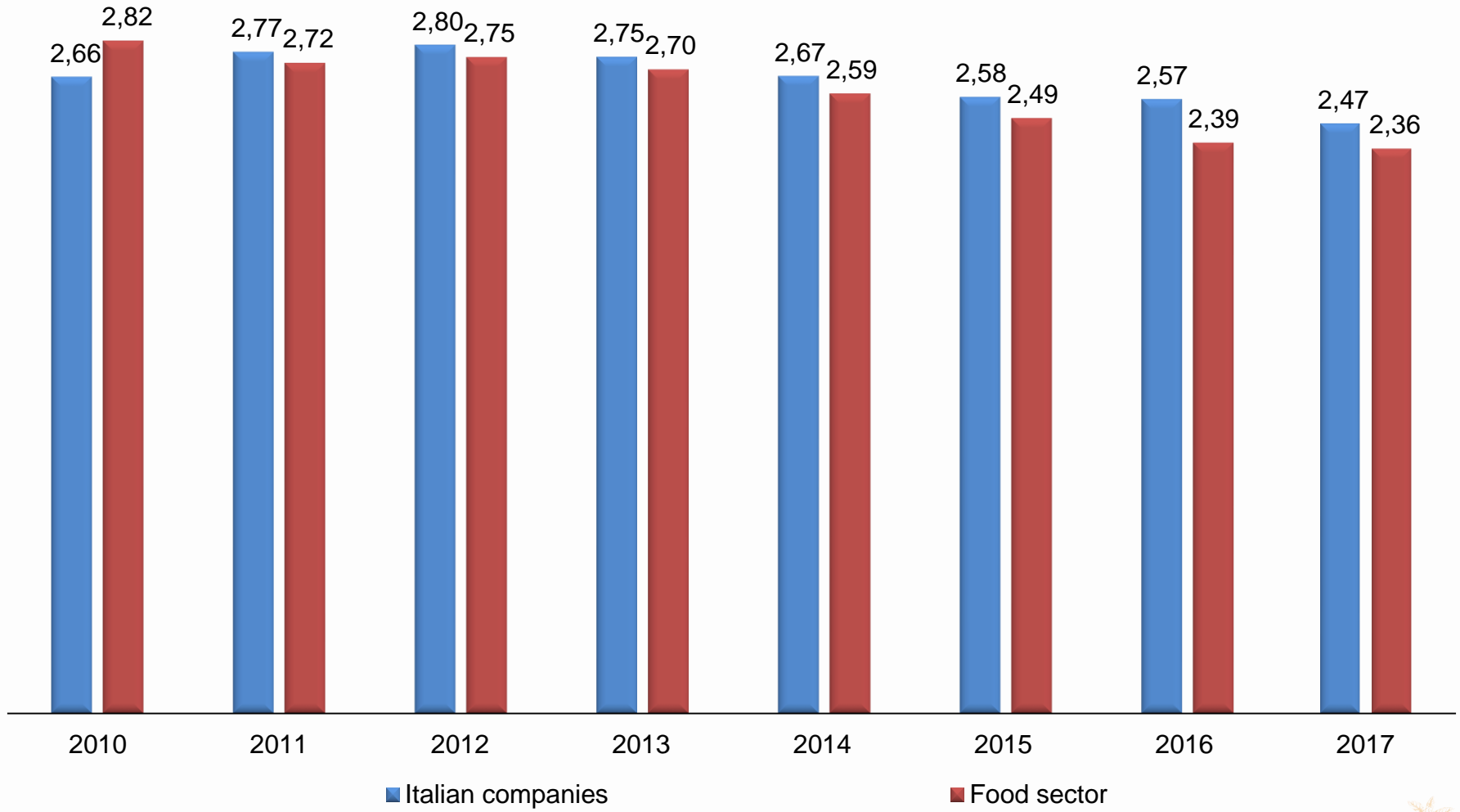


Source: MBRES, 2019



Comparison with other sectors - Financial structure

Initial rate of debt (2010 - 2017)

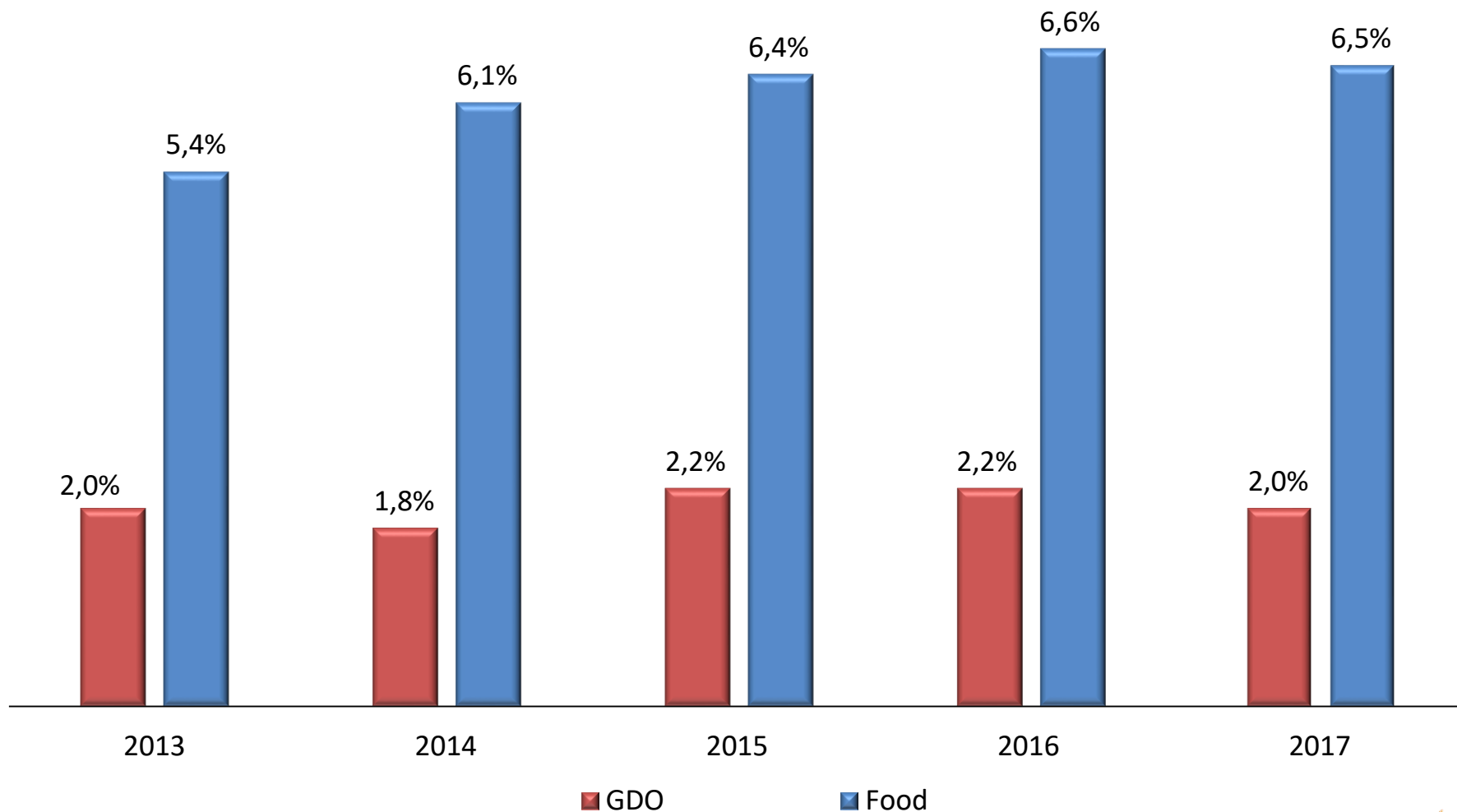


Source: MBRES, 2019



Comparison with large-scale retail trade - Profitability of sales

ROS GDO vs. Food (2013 - 2017)



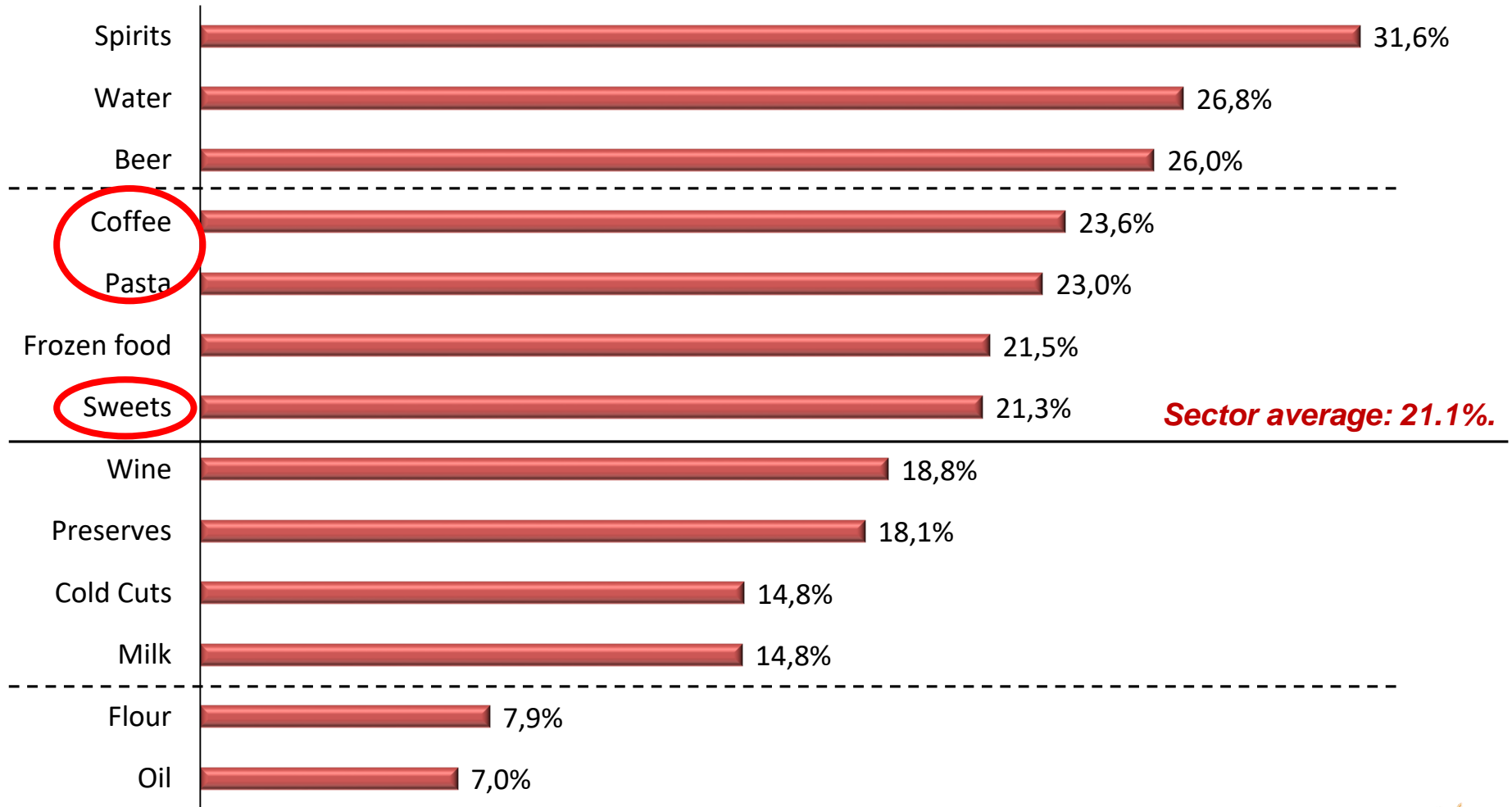
Source: MBRES, 2019



Sub-fund performance

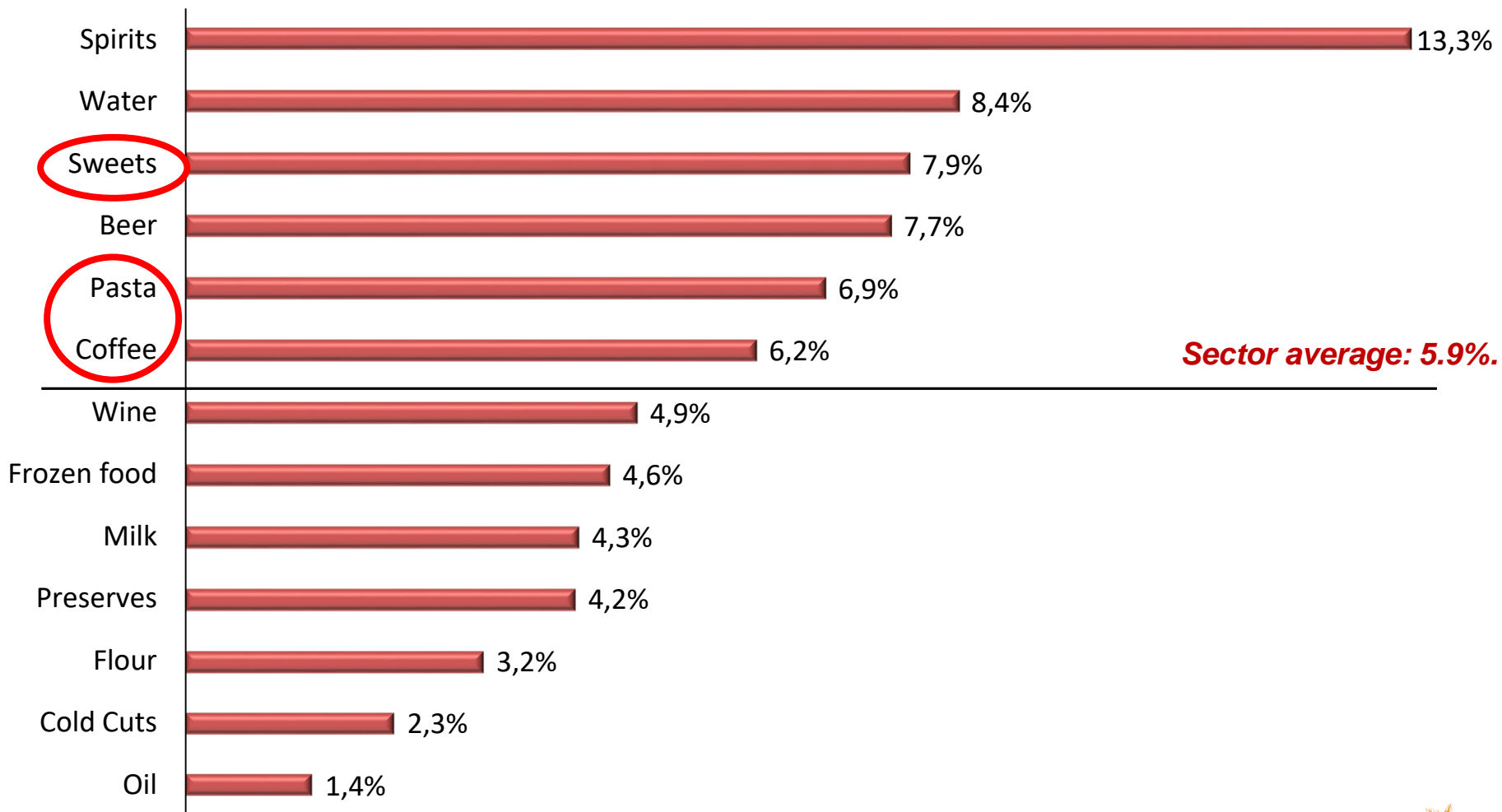
Industry analysis - Value added

Value added/revenue (2017)



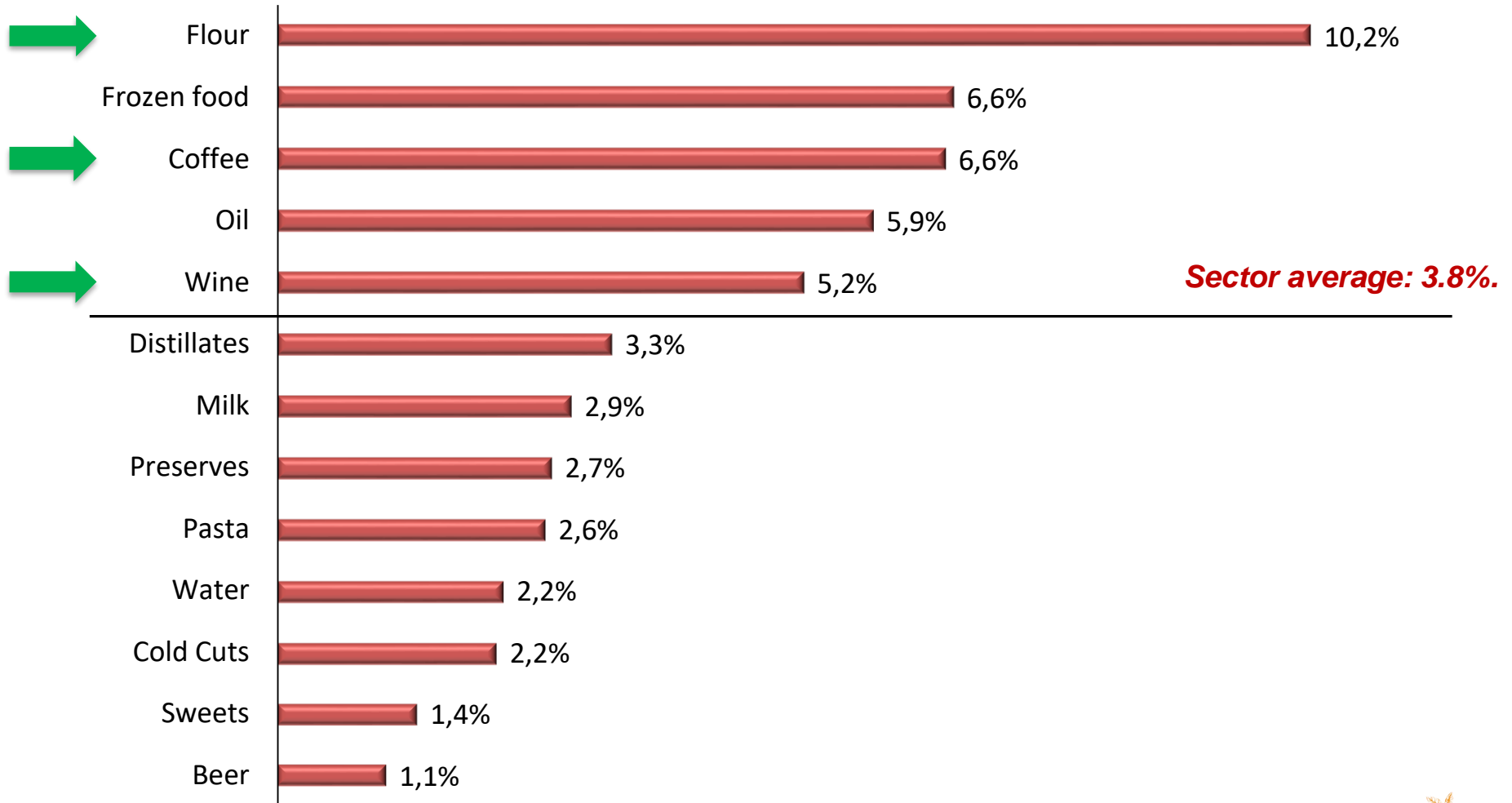
Segment analysis - Profitability of sales

ROS (2009 - 2017)



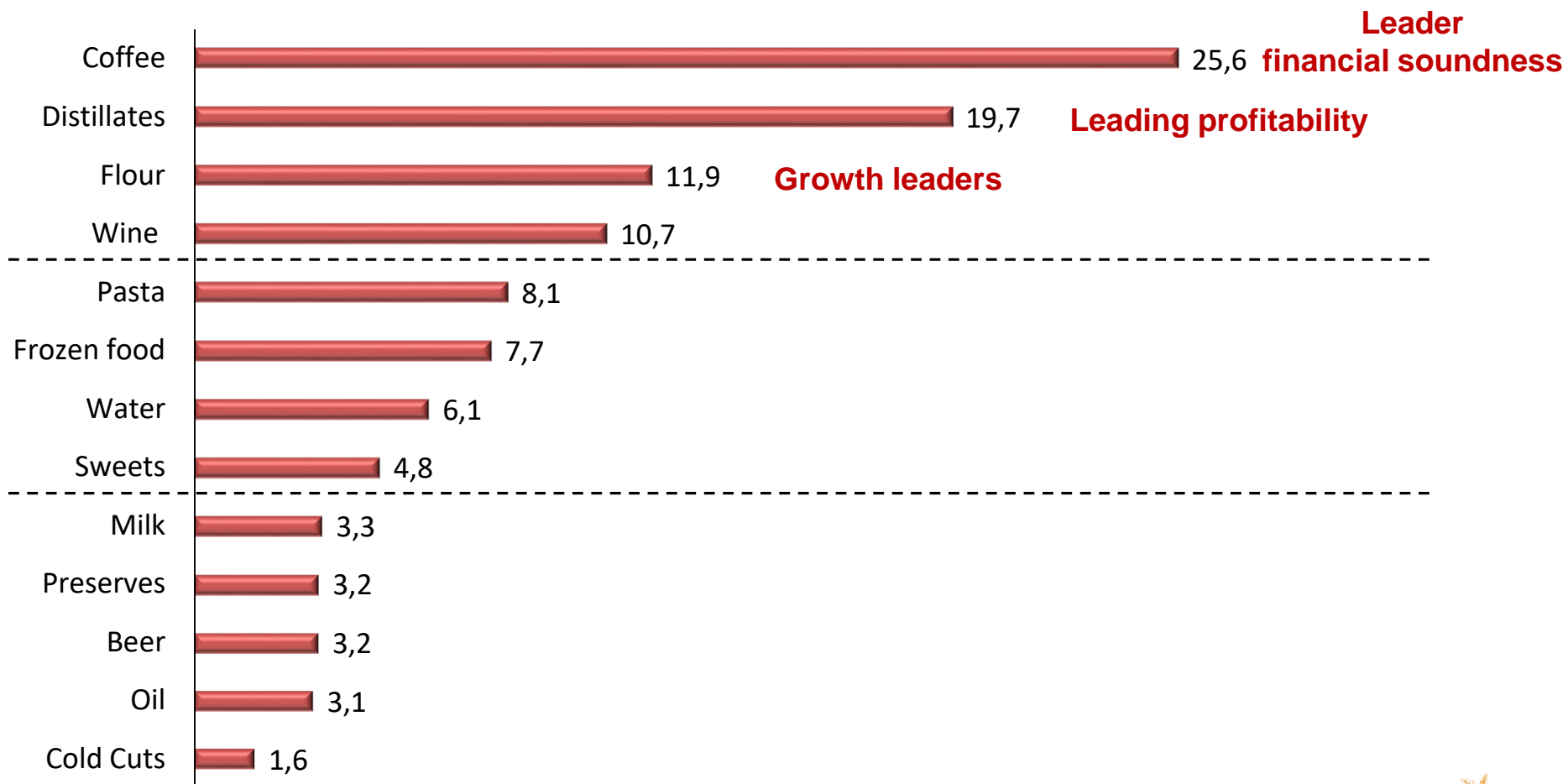
Sector analysis - Growth

Revenue CAGR (2009 - 2017)



Sustainability of growth - Ranking of sub-funds

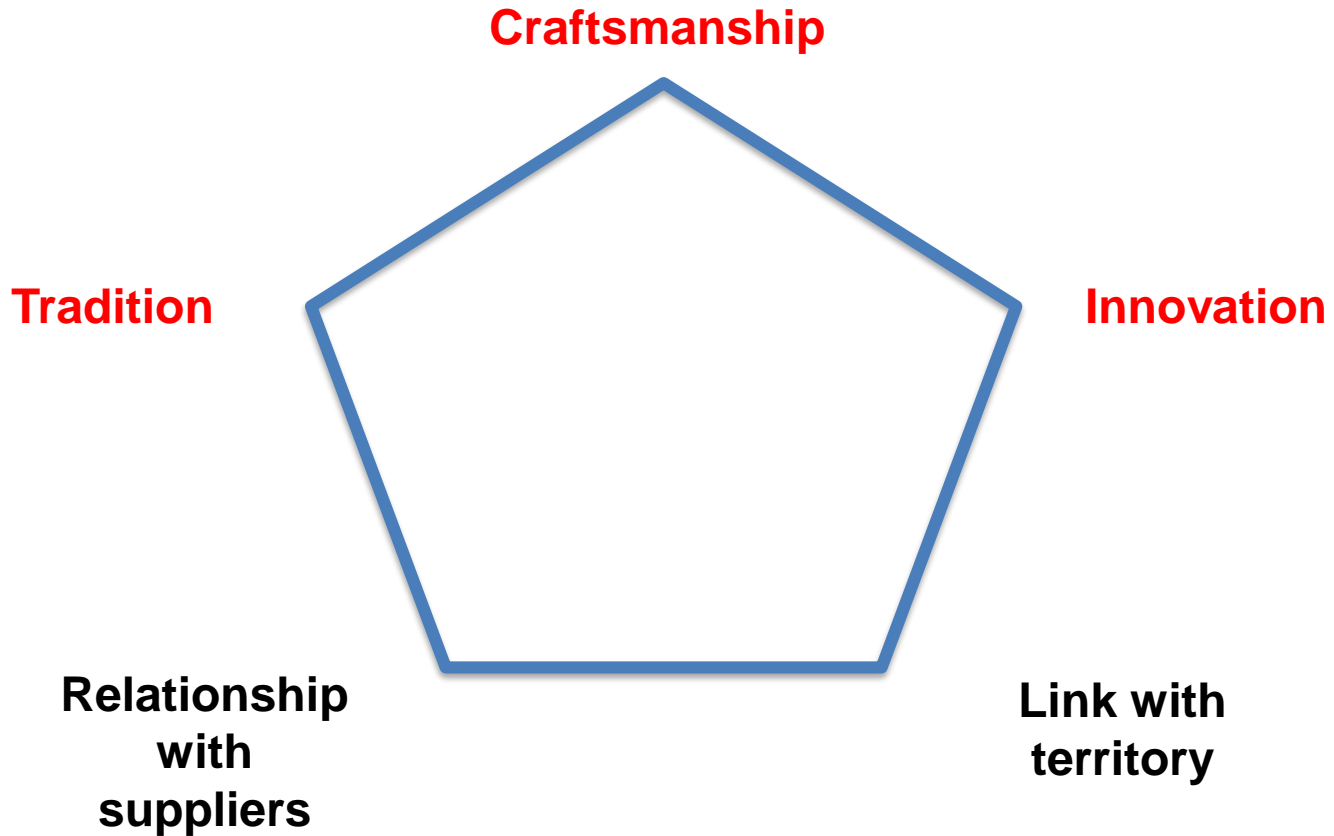
$$\text{Sustainable Growth Index} = \frac{(\text{CAGR revenue} * 100) * (\text{average ROS} * 100)}{\text{Average debt ratio}}$$



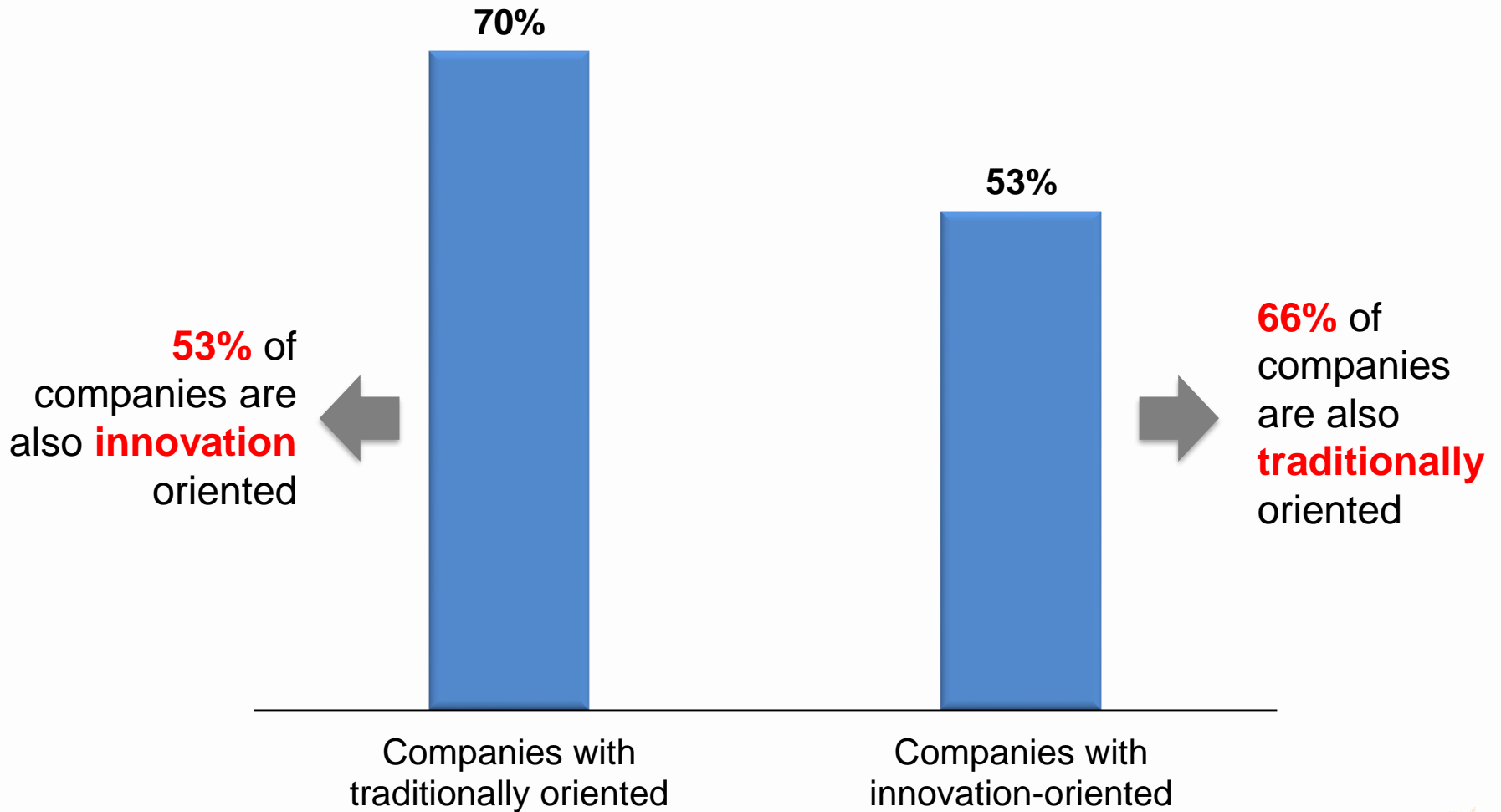
A look "inside" companies

The characteristics of business models

The dimensions analysed

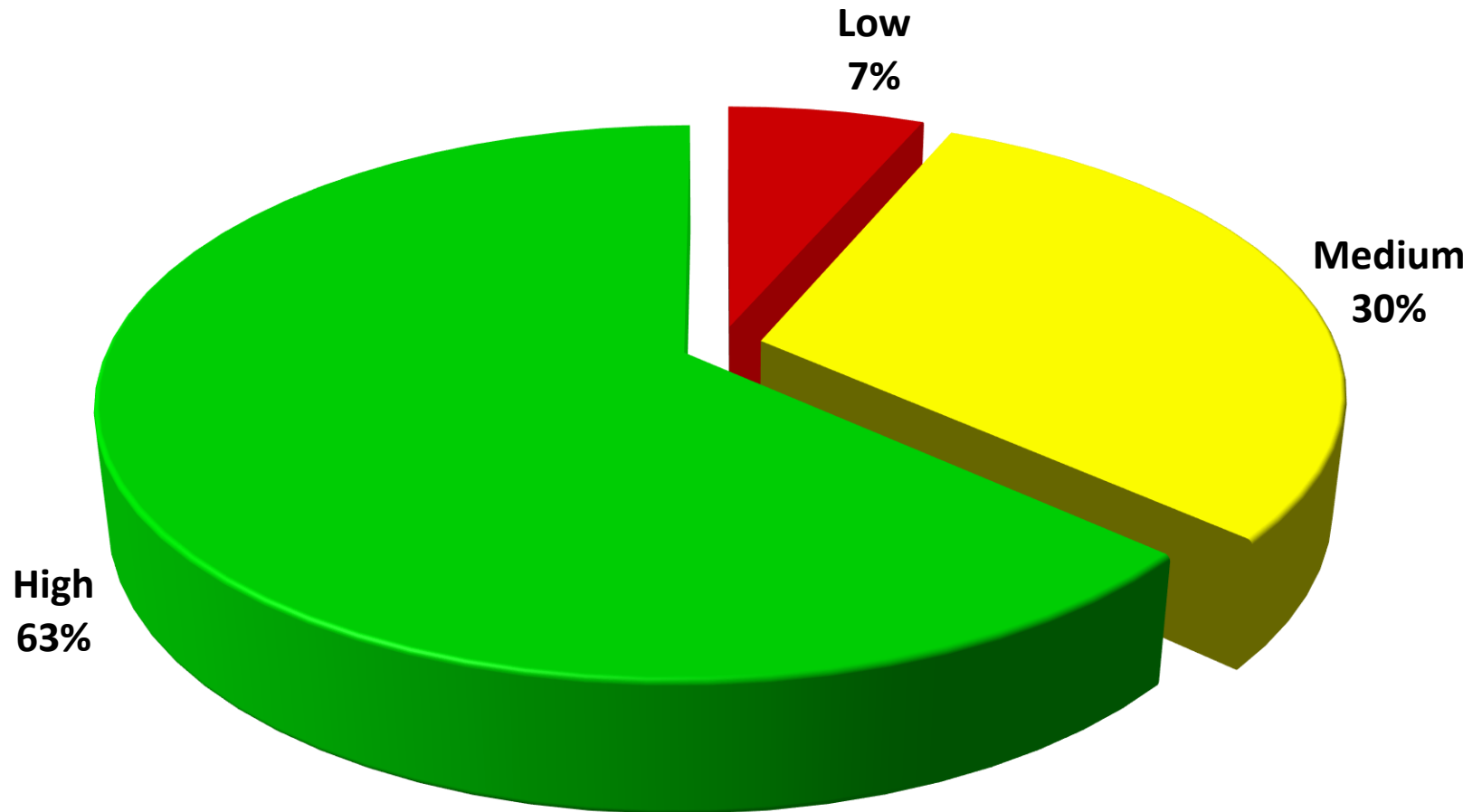


Innovation and tradition



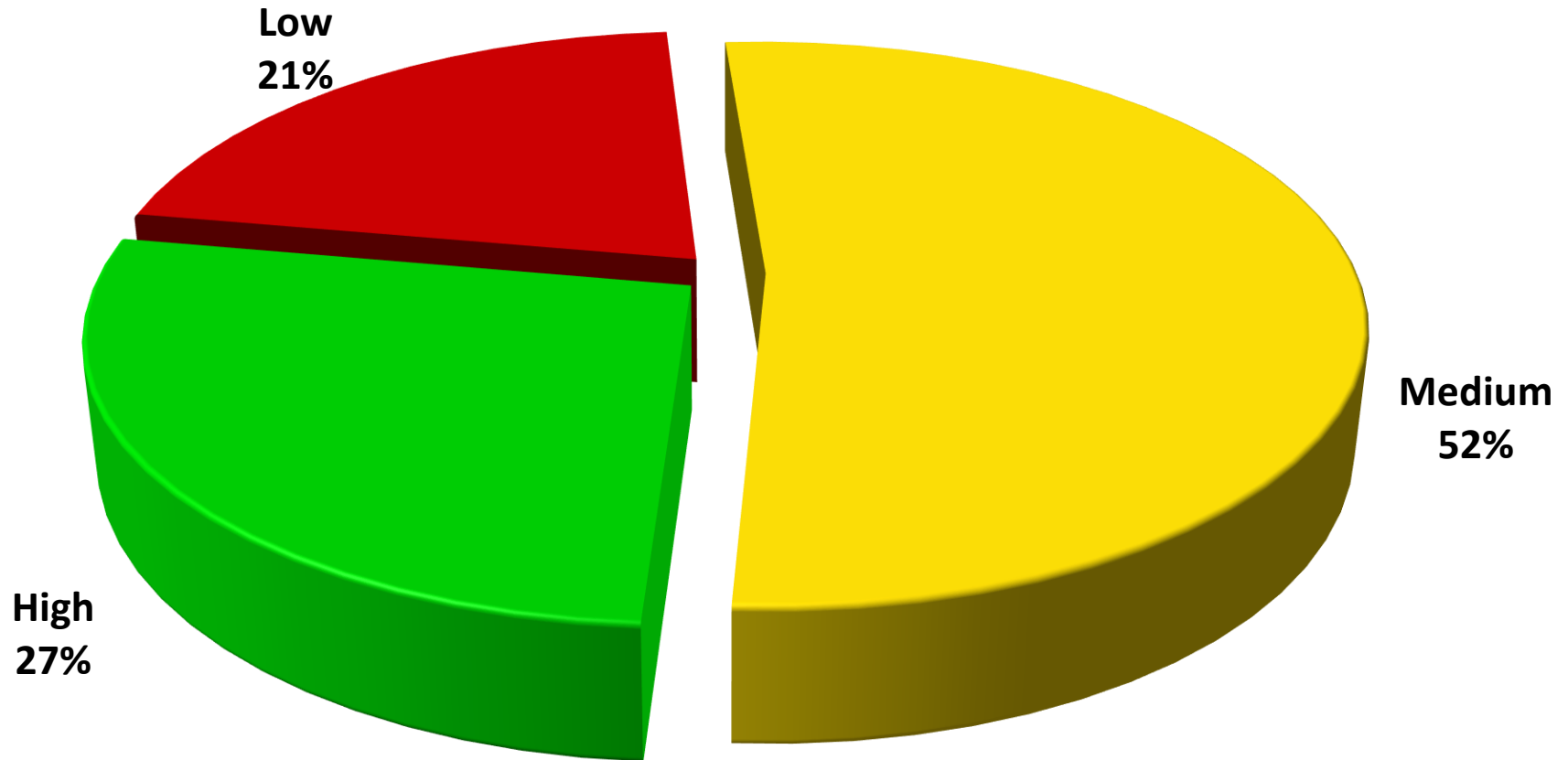
Innovation and tradition

Offering products based on traditional recipes



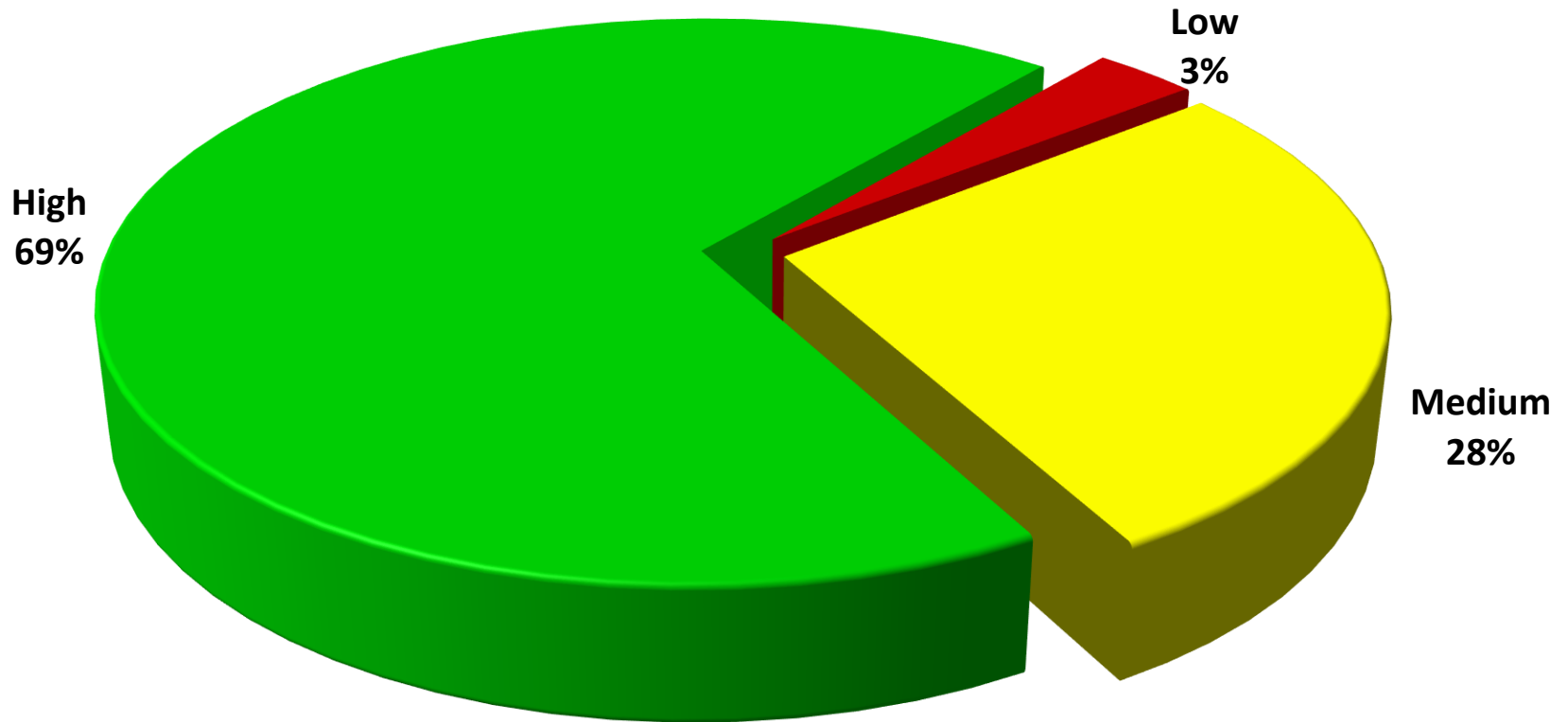
Innovation and tradition

Craftsmanship of production processes

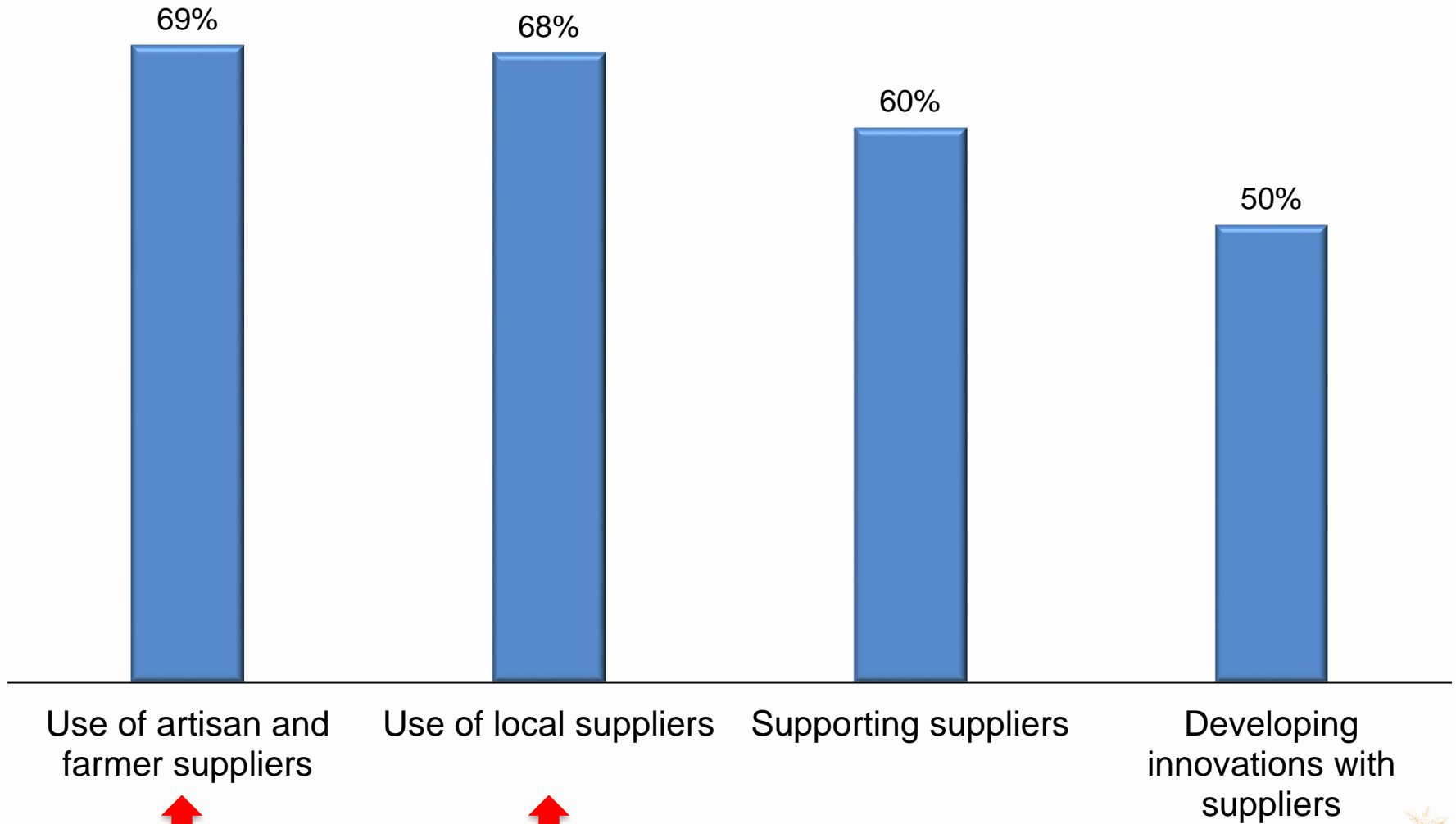


Innovation and tradition

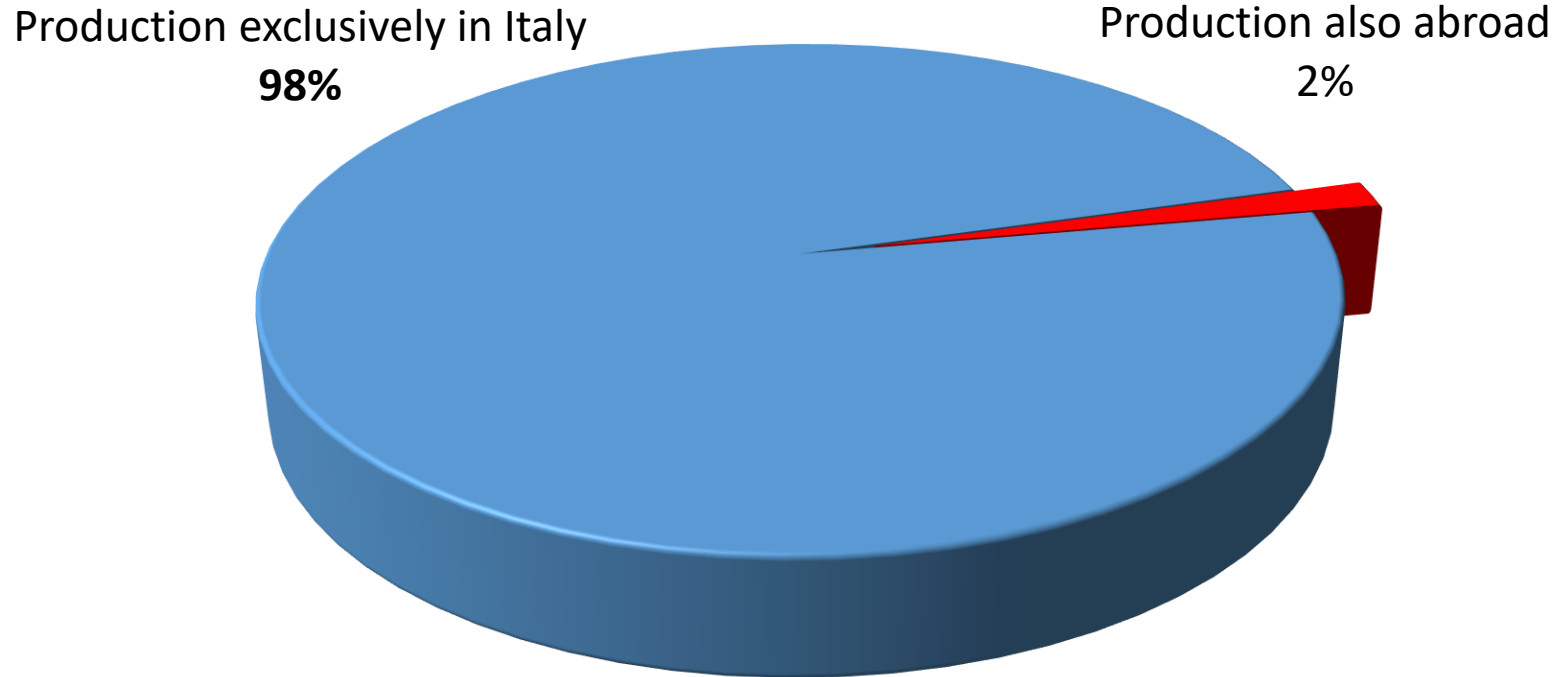
Level of innovation in production processes



Strategic relationship with suppliers



Link with the territory



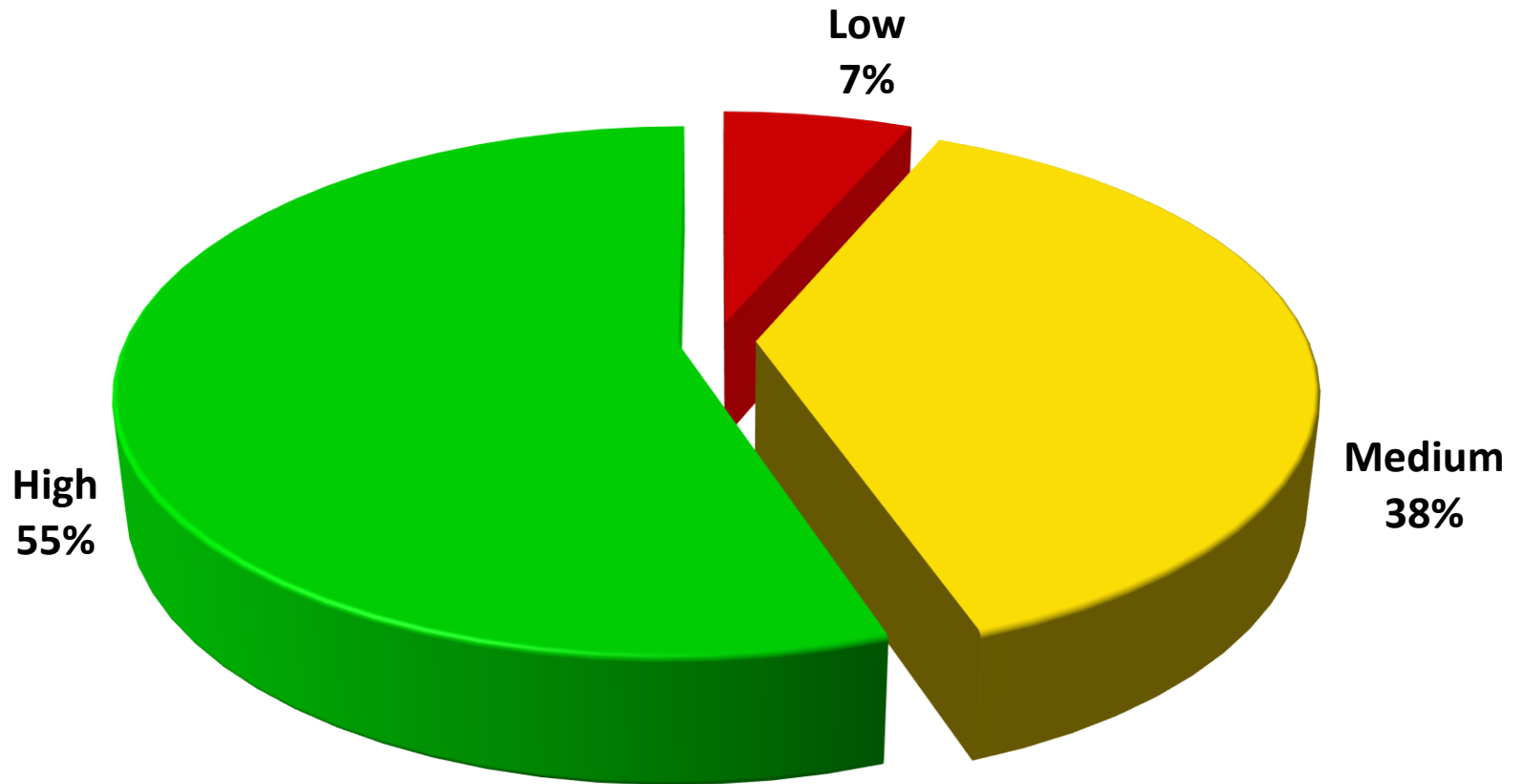
Average export: **34%**.

More than 30% of companies achieve more than 50% of their turnover abroad



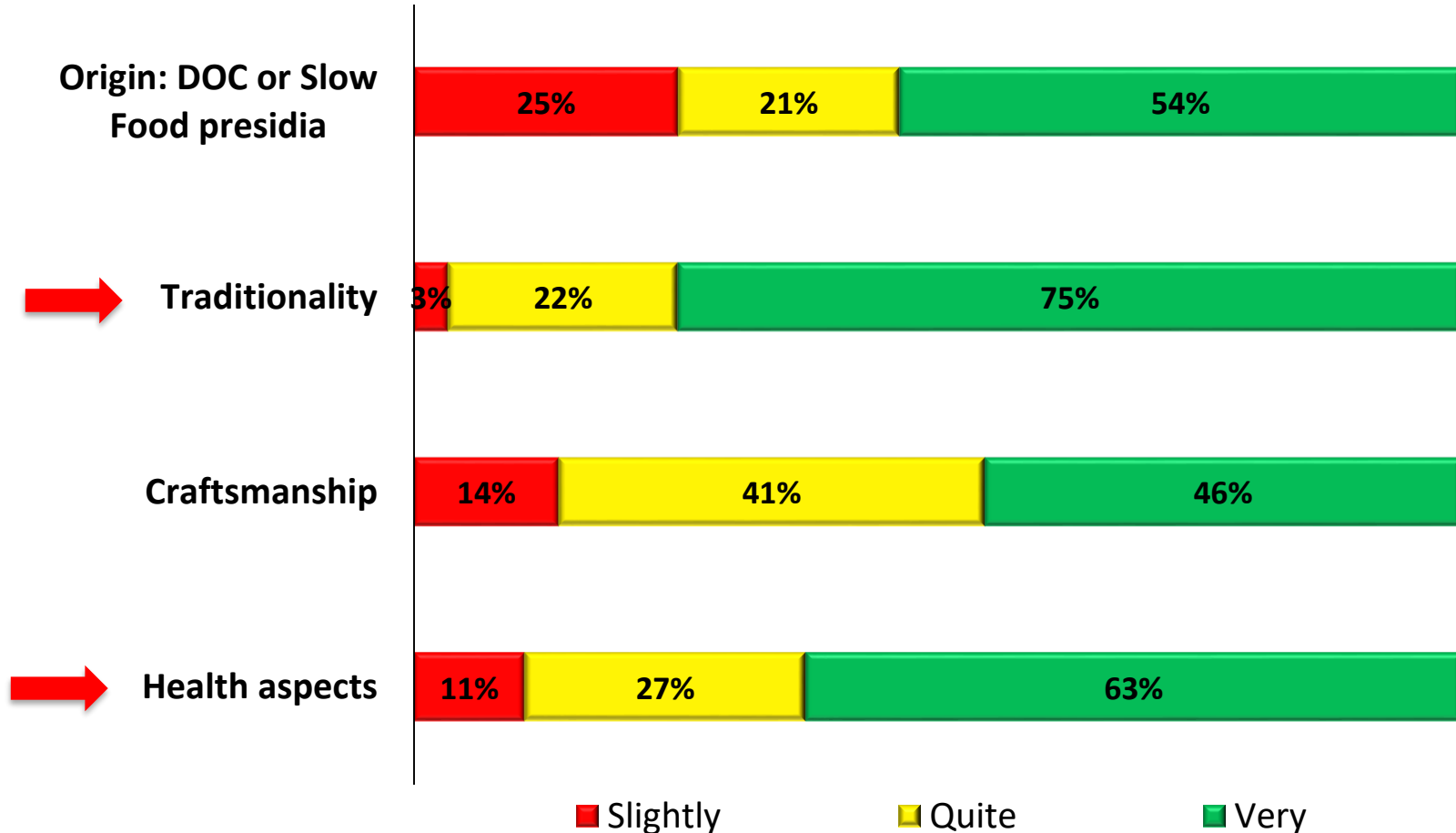
Link with the territory

Involvement companies in the defence and enhancement of the territory



Communication: territory, tradition, craftsmanship

Content of the communication



47% of companies are strongly committed to training of customers and distributors



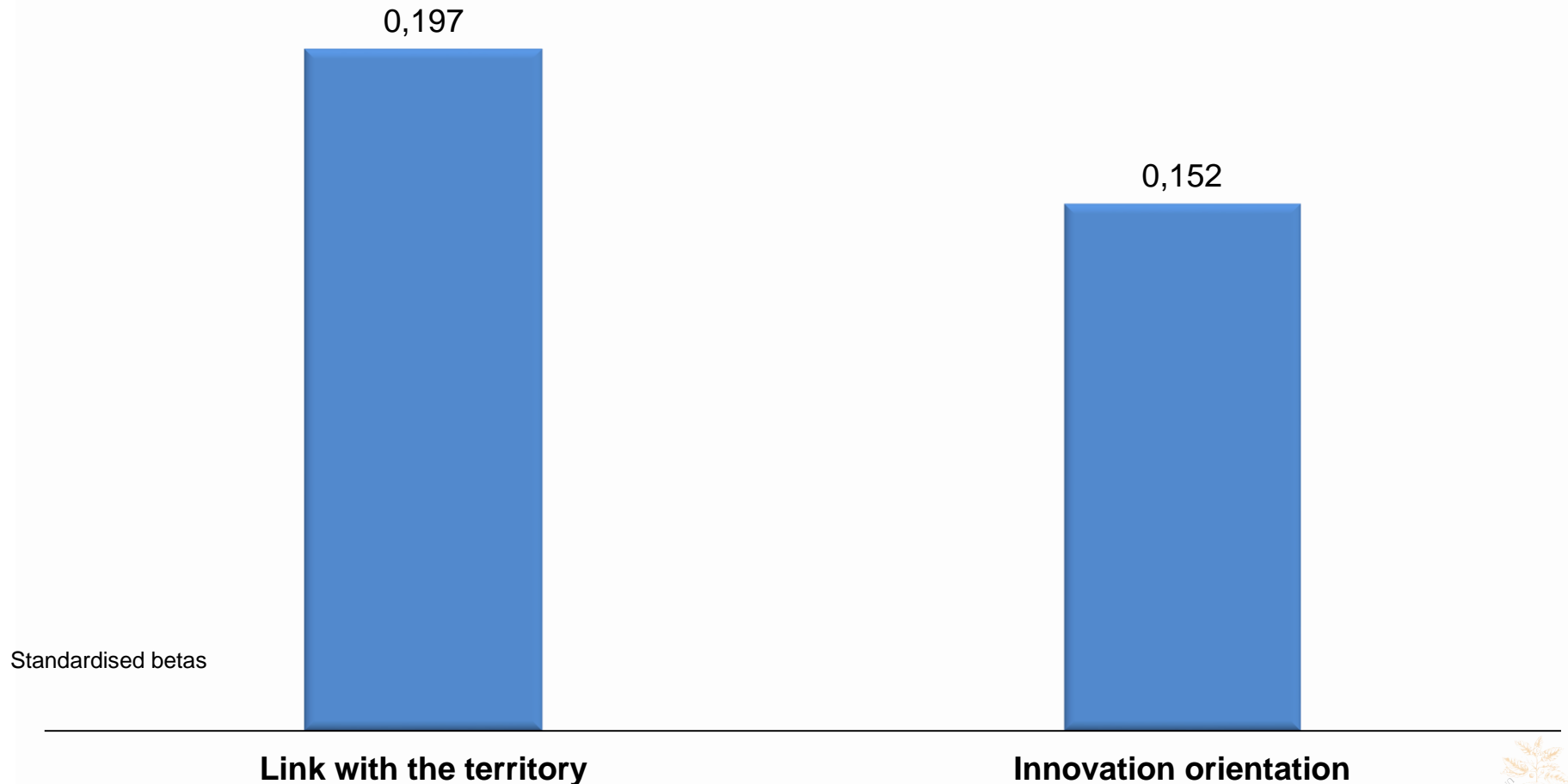
The impact of business models on company performance

**What variables explain
return on investment?**



Determinants of return on invested capital (CAGR ROIC 2009 - 2017)

Territory and innovation determine growth in return on investment



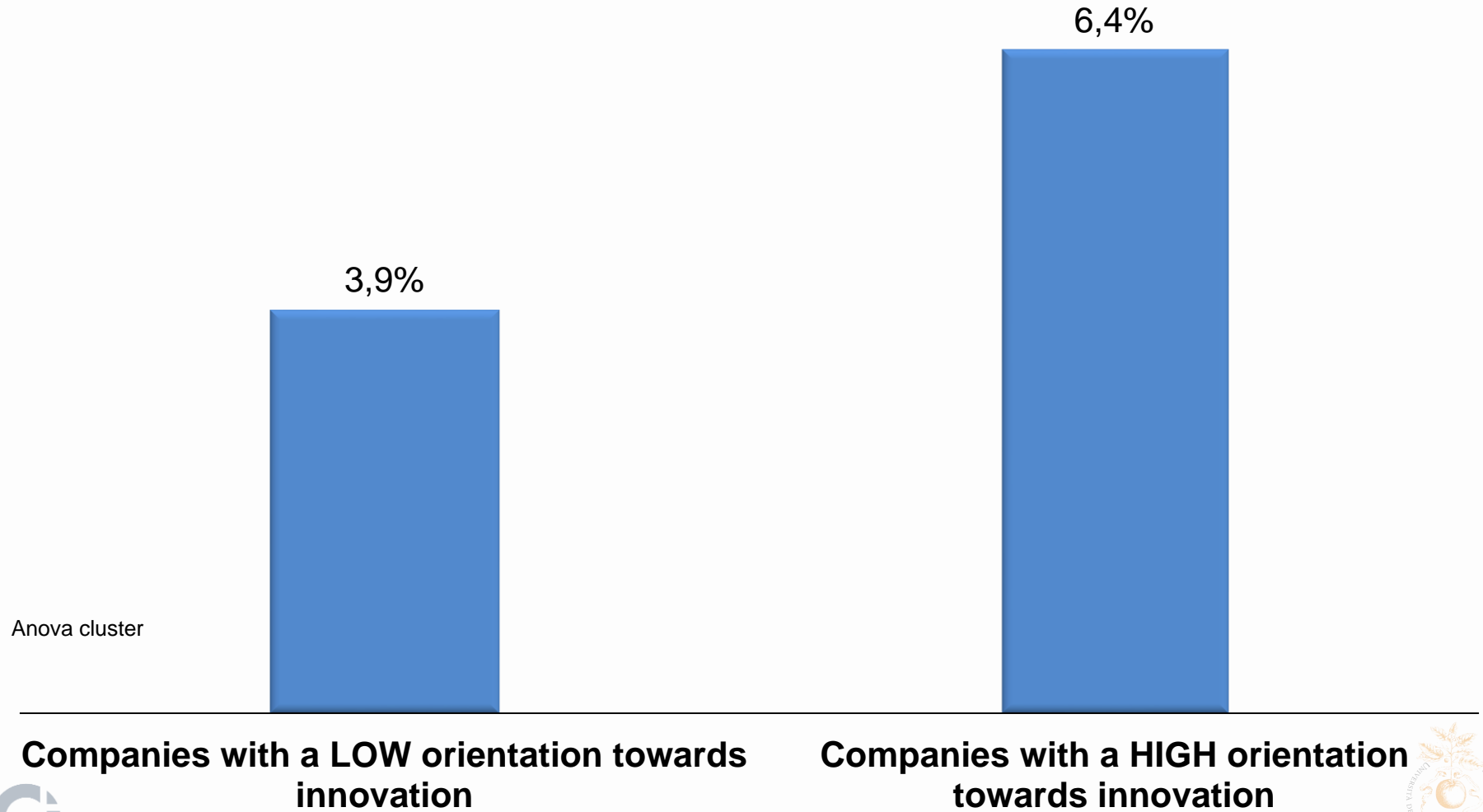
**What strategies can companies implement
to achieve profitable growth?**



Strategies for profitable growth

**Innovation is the key driver
commercial profitability**

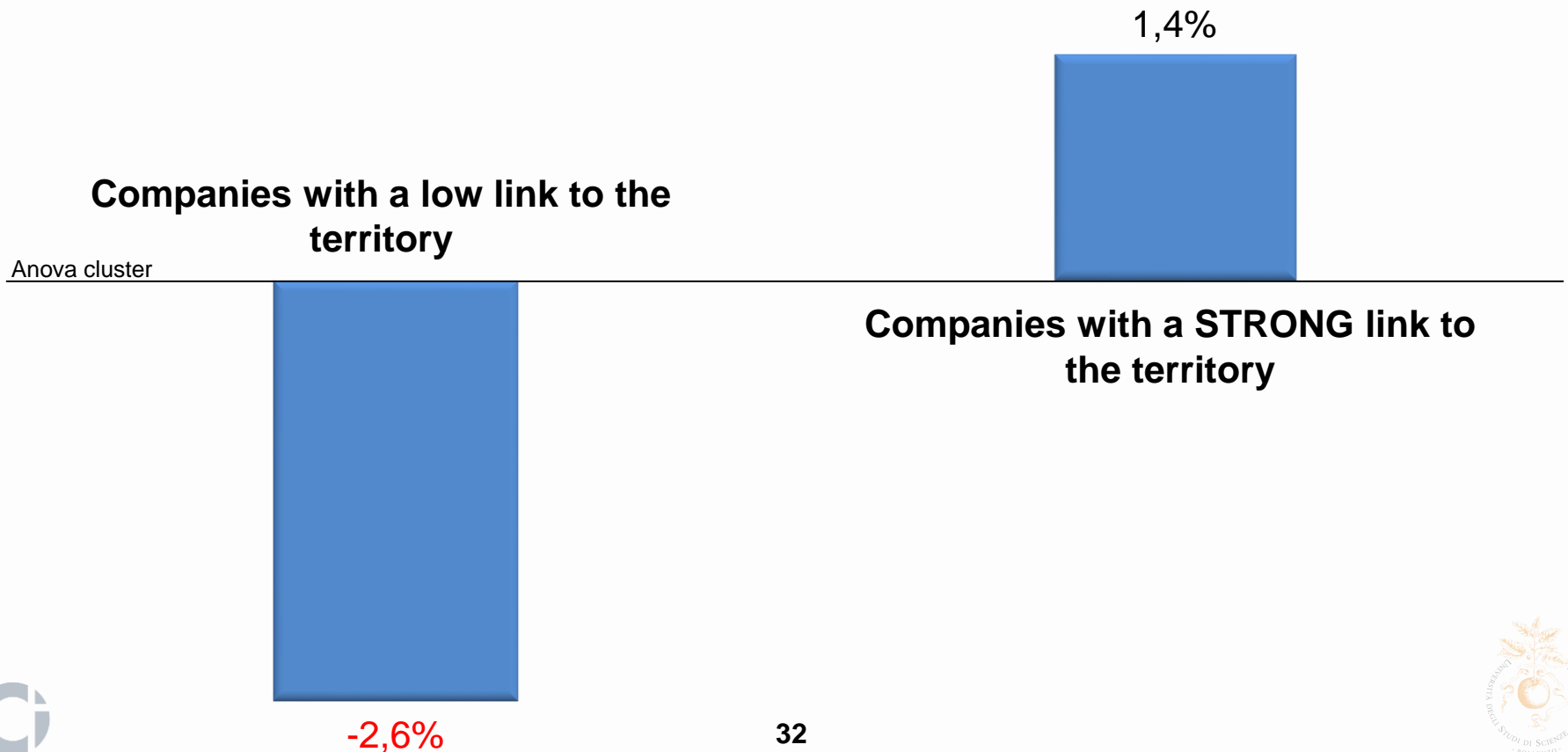
Sales profitability (ROS 2017)



Strategies for profitable growth

The link with the territory contributes growth in commercial margin

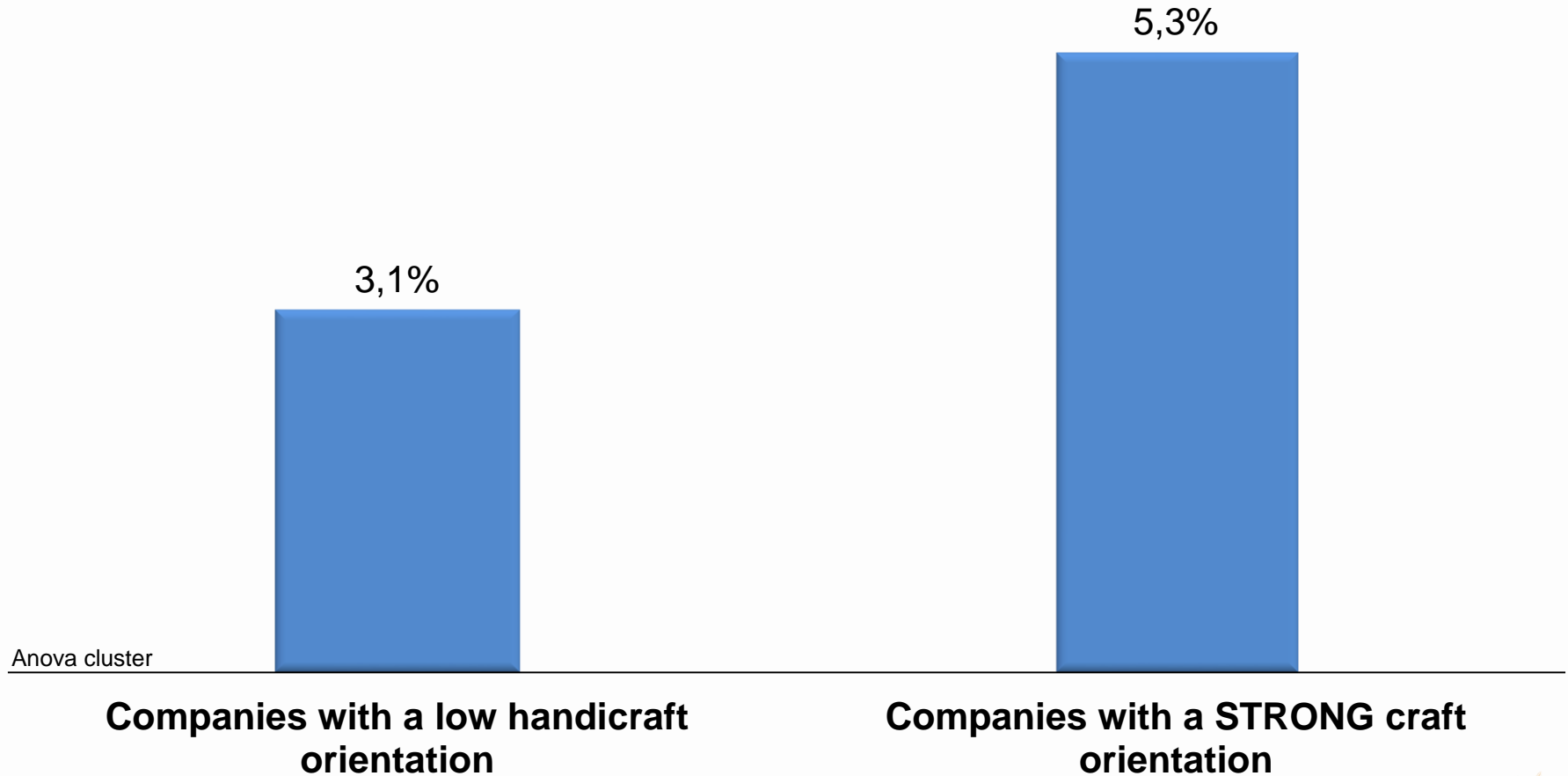
**Growth in sales profitability
(CAGR ROS 2009 - 2017)**



Strategies for profitable growth

Craftsmanship is a powerful engine for growth

Revenue growth (CAGR 2009 - 2017)



Strategies for profitable growth

Profitable growth

**Growth
revenues**

**Commercial
profitability**

**Craftsmanship
orientation**

**Link
with the
territory**

**Orientation
to innovation**



METHODOLOGY

This research report was produced on the basis of public data, data collected from restricted access databases and telephone interviews. The elaborations were carried out by a team of researchers at the University of Gastronomic Sciences in Pollenzo, Bra.

Representative samples of the different sectors of the food industry were constructed by extracting companies with ATECO codes, and all the companies identified in this way were checked to verify the congruity of the activity carried out with the sector they belonged to.

The financial statements of the companies were acquired from the AIDA bank in optical format and were reclassified according to the financial statement schemes currently used in business analysis.

The report was written by Prof. Carmine Garzia. Dr. Francesco Maria Gentile coordinated the research team for the collection of the questionnaires and elaborated the databases. Dr. Paola De Luca carried out the telephone interviews.

The research project was carried out with the support of Ceresio Investors.

The economic performance calculations were carried out on the basis of public budget data available as of 15/05/2019.

The qualitative elaborations were carried out on the basis of data collected in the period March - April 2019.

The report was closed on 20/05/2018.

<http://www.foodindustrymonitor.com>

