

# The Italian private capital market

**Innocenzo Cipolletta**

*Chairman AIFI*

26<sup>th</sup> September 2024

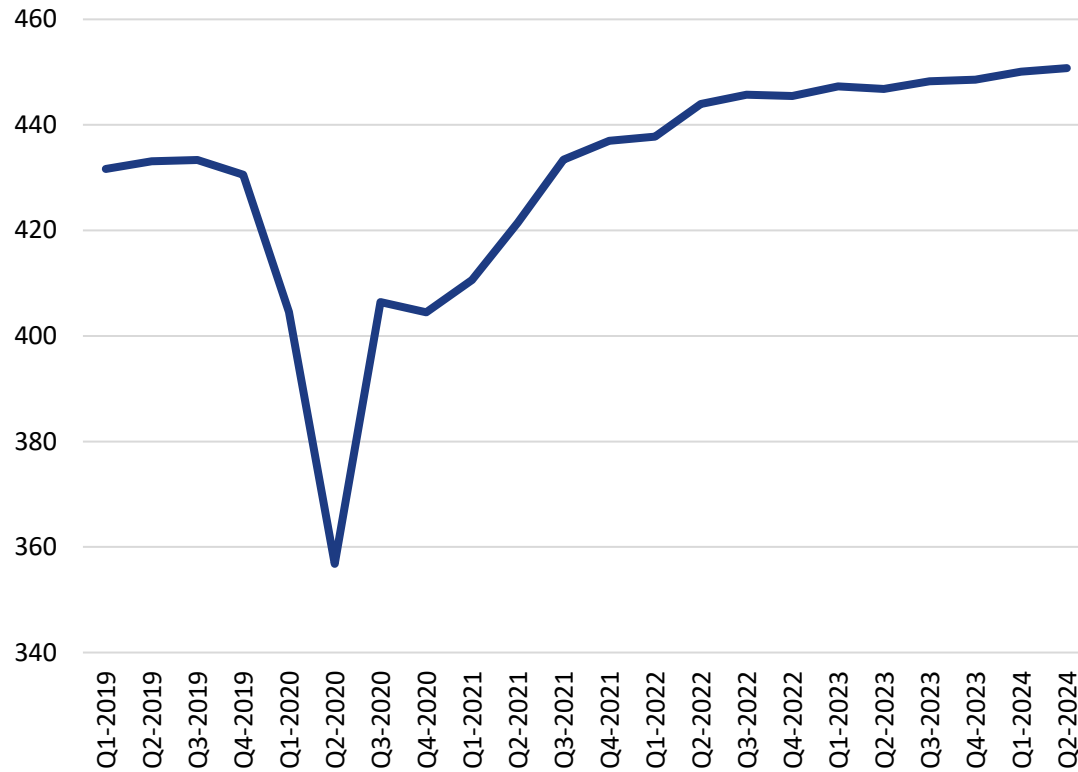
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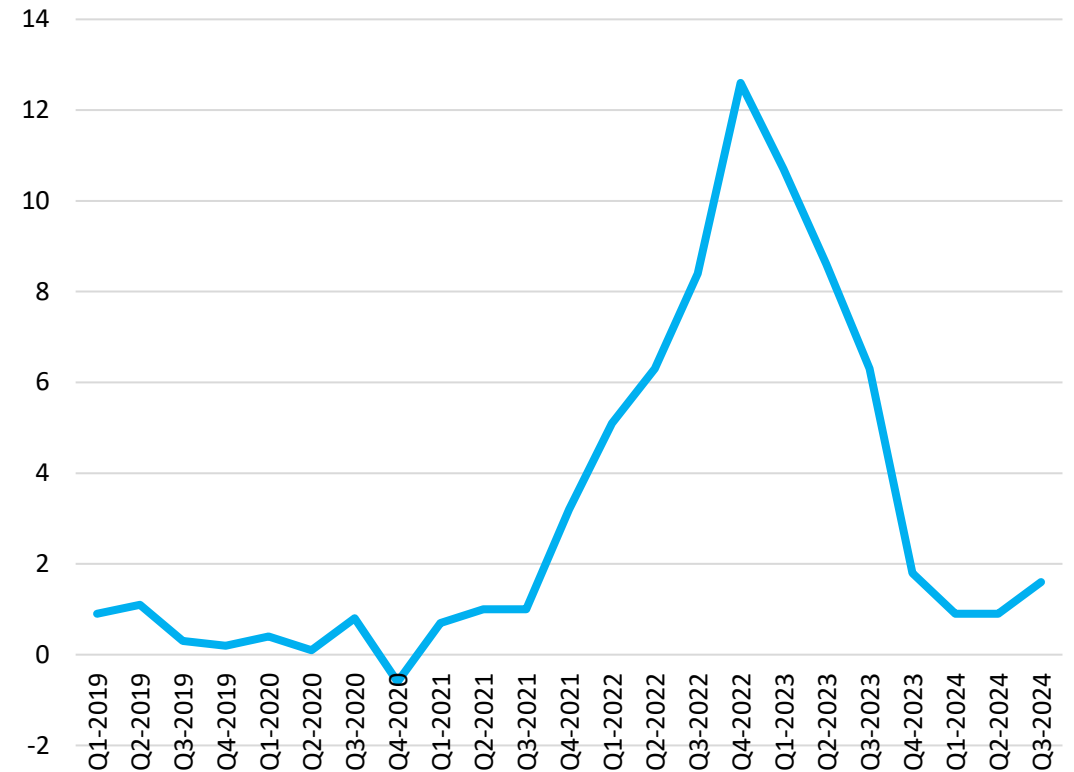
# The evolution of Italian GDP and inflation rate

## GDP

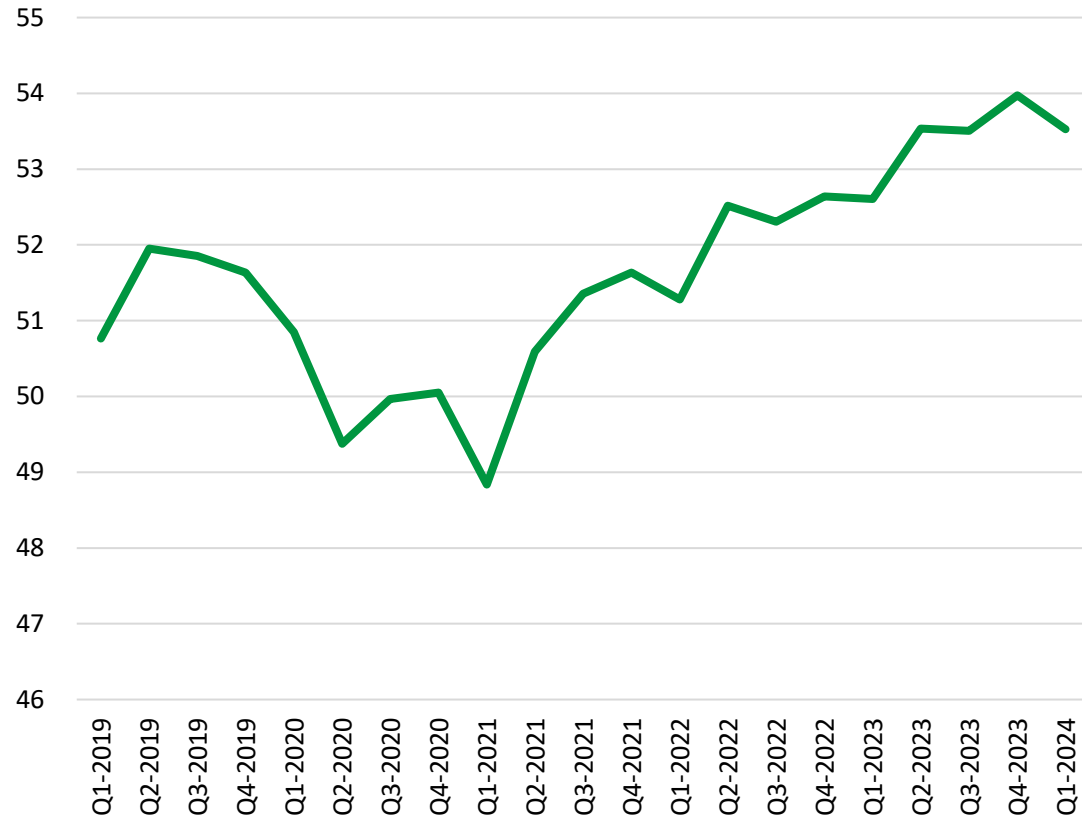
market prices, data seasonally adjusted  
(chain linked volumes, reference year = 2015)



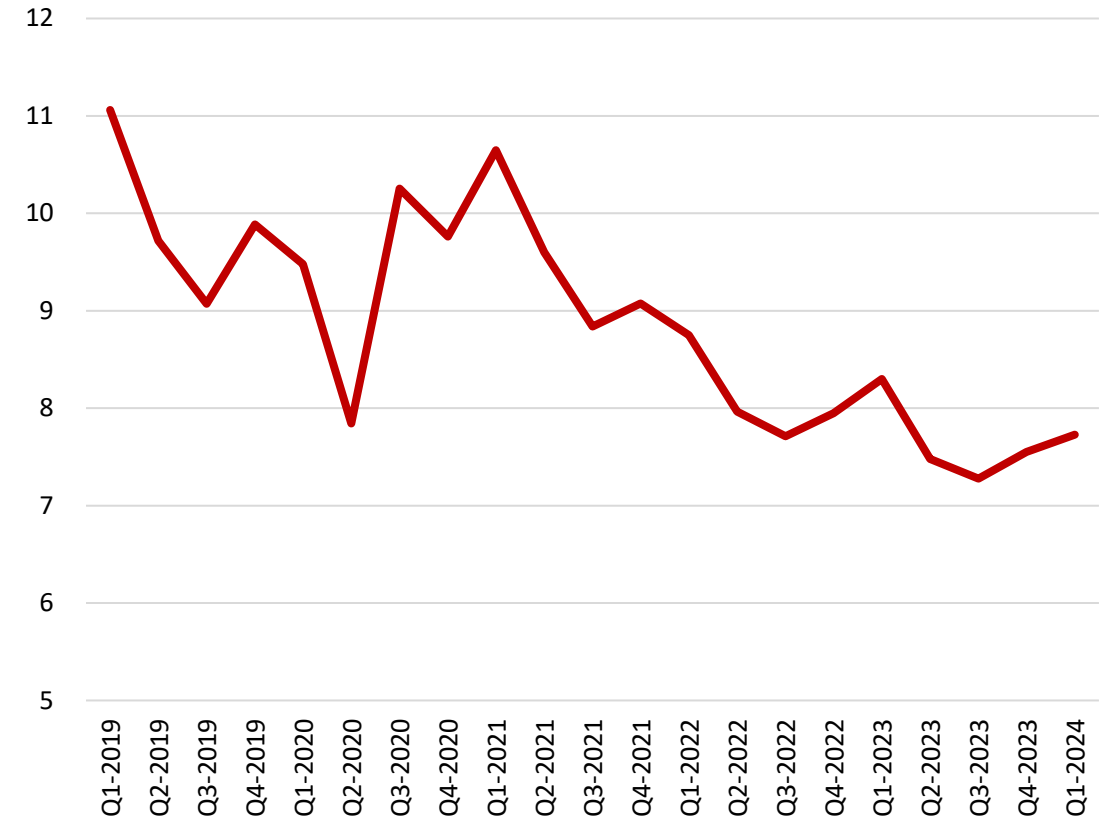
## HICP inflation rate - Overall index



## Employment rate

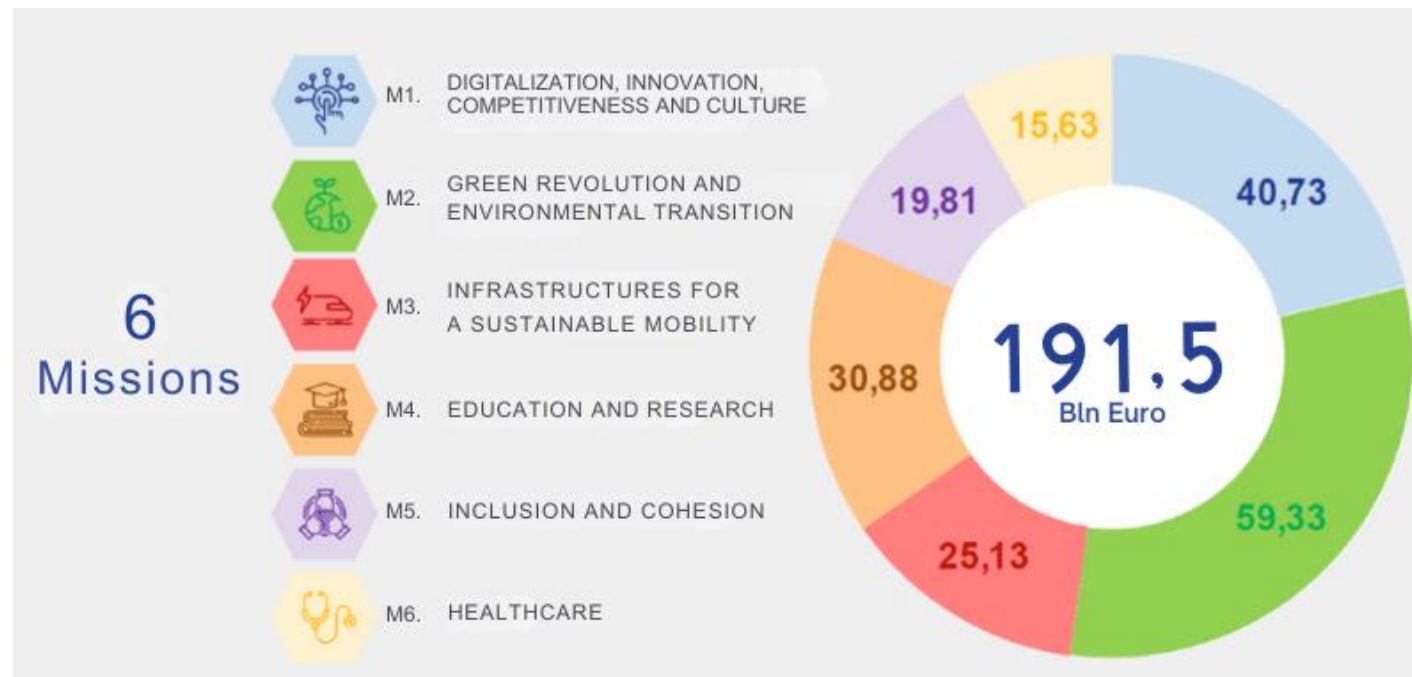


## Unemployment rate



# The Recovery and Resilience Facility (RFF)

- The **Recovery and Resilience Facility (RFF)** is the key instrument of the Next Generation EU (NGEU), the programme implemented by the European Union in 2021 as a response to the pandemic crisis of COVID-19. Through the RFF, the European Union aims at creating a more digitalised and sustainable Europe, with the allocation of **648 Bln euro** (357 Bln as grants, 291 Bln as loans).
- Italy is the **main beneficiary** of RFF, with a total amount of **191,5 Bln euro** to be used between 2021 and 2026, 68 Bln of which are grants.
- The Italian **National Recovery and Resilience Plan (NRRP/PNRR)** is divided into six missions, as follows\*:



Source: Italian Government ([link](#)) and European Commission ([link](#)).

\* In December 2023 the EU Council approved a renewed plan for Italy with a new mission dedicated to REPower EU. The total amount of resources is now 194,4 Bln euro.

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## What has been achieved so far



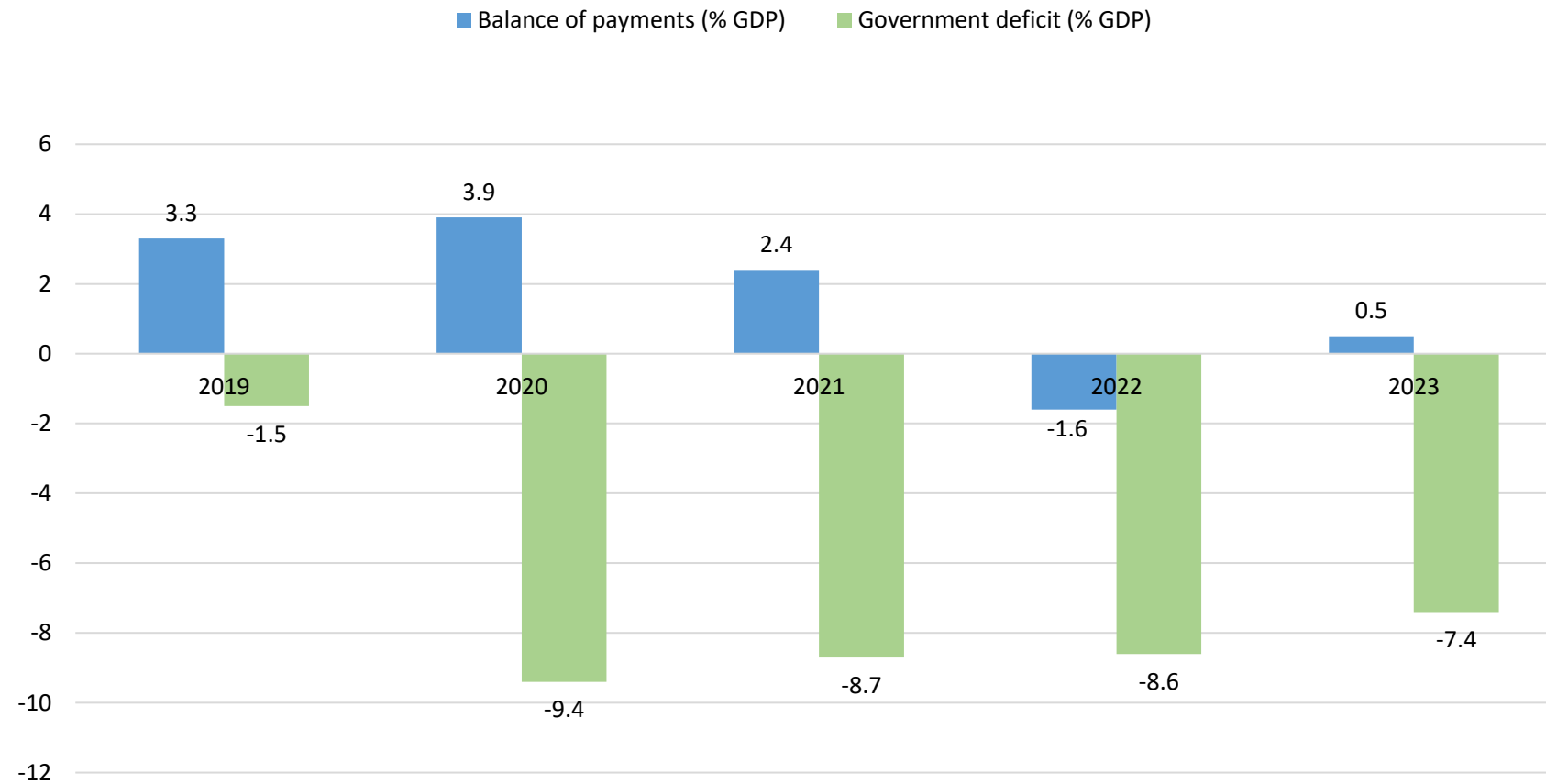
- Italy reached the targets linked to **63% of the resources**
- **102.5 Bln euro** received so far – **53% of the total** resources of RFF, above the European average
  - When the fifth tranche will be paid - the European Commission and the Economic and Financial Committee have approved the payment last July - the resources received **will reach 113.5 Bln euro – 58% of the total**
- The highest amounts have been spent so far for\*\*:
  - i. Superbonus (14 Bln euro)
  - ii. Tax credit for capital goods (8,9 Bln euro)
  - iii. The implementation of high-speed railway line for the connection of Northern Italy (2,4 Bln euro)

## What is missing

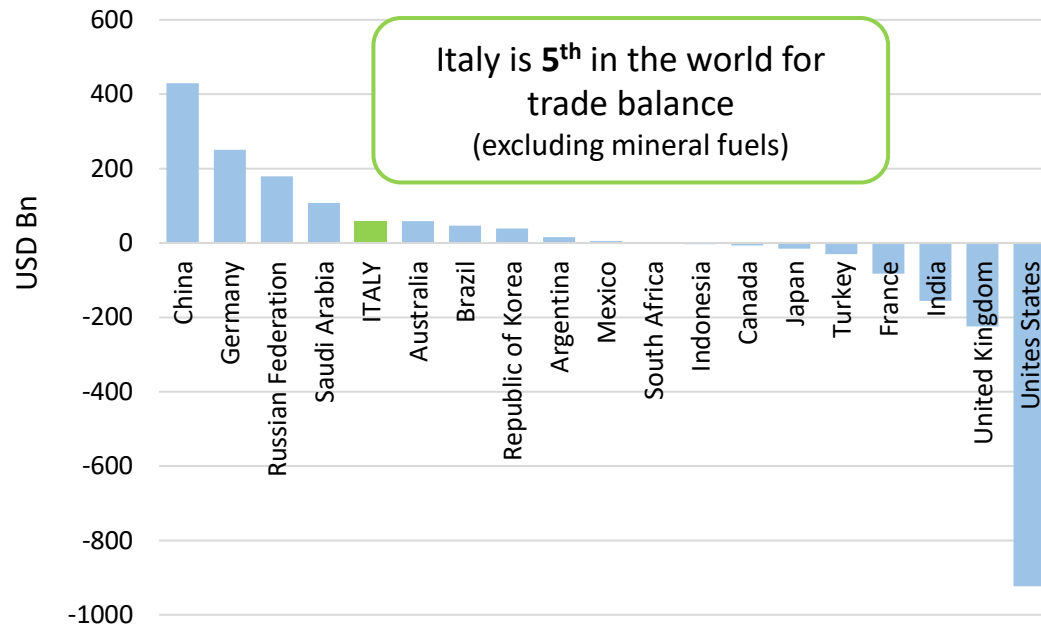


- **Only 26% of the of the RFF funds** spent in relation to the total amount assigned
- **56% of the deadlines** linked to the realization of the plan has to be implemented yet
- **For 172 measures** of RFF, between 25 and 0 per cent of allocated resources has been disbursed; in relation to **50 measures**, no resources have been spent so far
- The most significant measures which are currently stalled are:
  - i. The investment on energy communities
  - ii. Supply chain contracts for agriculture
  - iii. The development of biomethane for the promotion of the circular economy
  - iv. The development of the agro-voltaic sector

# The balance of payments and government deficit



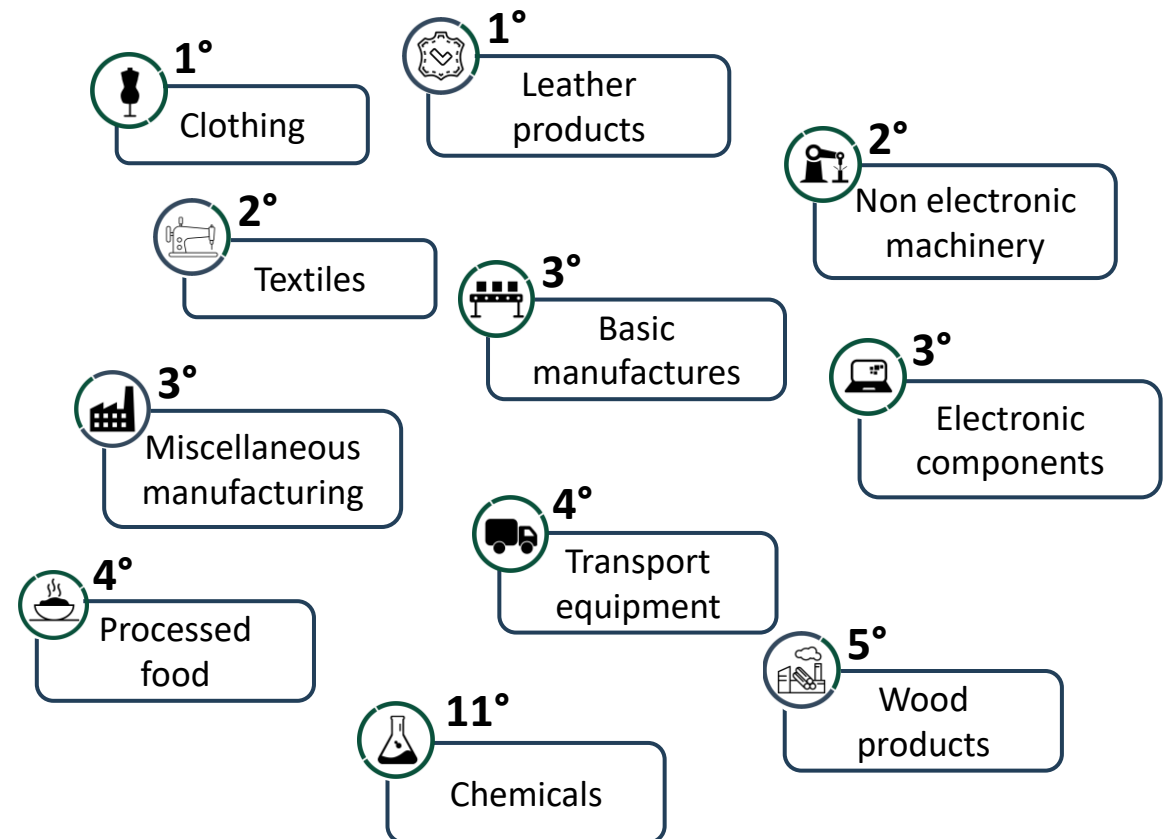
## Total merchandise trade balance (2019)



Italy is 5<sup>th</sup> in the world for trade balance (excluding mineral fuels)

Italy is a leader in 3 F's (Fashion, furniture, food and wine) and in 3M's (Machinery, metal products and medicaments)

## Italy's position in the world ranking of the Trade Performance Index (top 11 sectors)



## Enterprises by number of employees

	ENTERPRISES	
	NUMBER	SHARE
<b>Micro</b> (0-9 persons employed)	3,696,171	94.6%
<b>Small</b> (10-49 persons employed)	187,199	4.8%
<b>Medium</b> (50-249 persons employed)	21,608	0.6%
<b>Total SMEs</b> (0-249 persons employed)	3,094,898	99.9%
<b>Large enterprises</b> (250+ persons employed)	4,077	0.1%
<b>Total</b>	<b>3,908,975</b>	



Number of listed enterprises: **429**  
(341 SMEs)  
Market capitalization: **880 Euro Bn**  
Employees\*: **1,664,192**



Number of private capital portfolio companies:  
**2,200 PE & VC, 800 Private Debt**  
Employees: > **800,000**



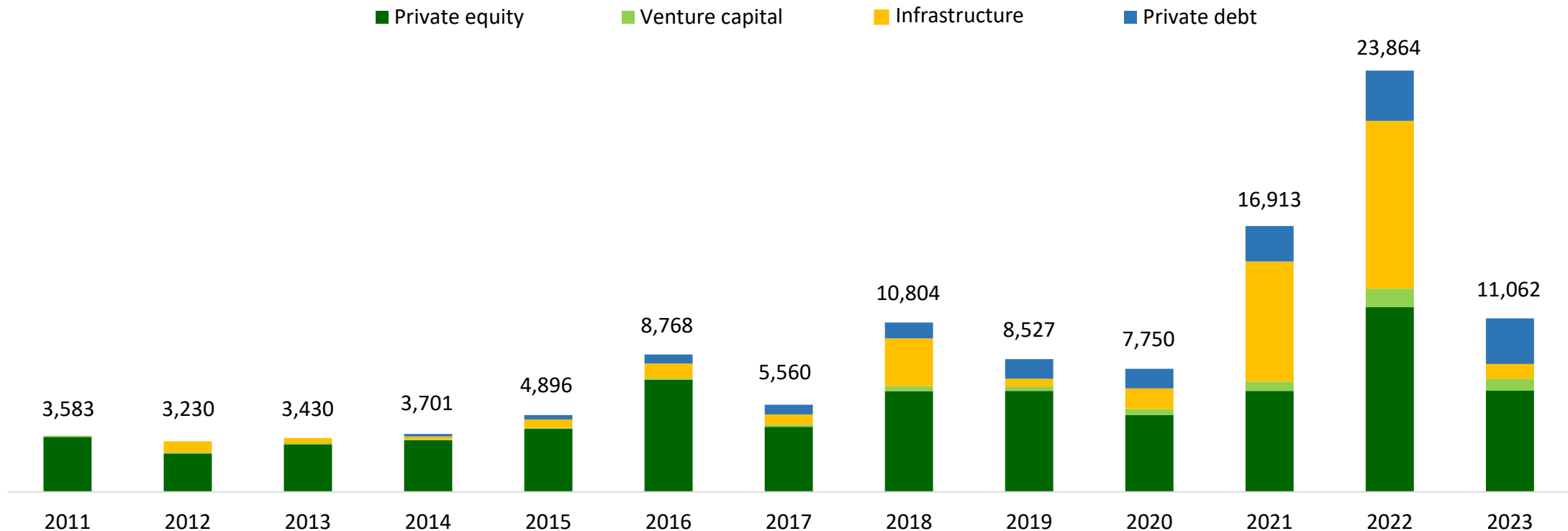
Note: for private equity, reference is made to the companies in the portfolio as of 12.31.2023. For private debt, reference is made to companies invested in in the last 5 years

\* The number of employees refers to a sample of 344 companies listed on the Italian Stock Exchange

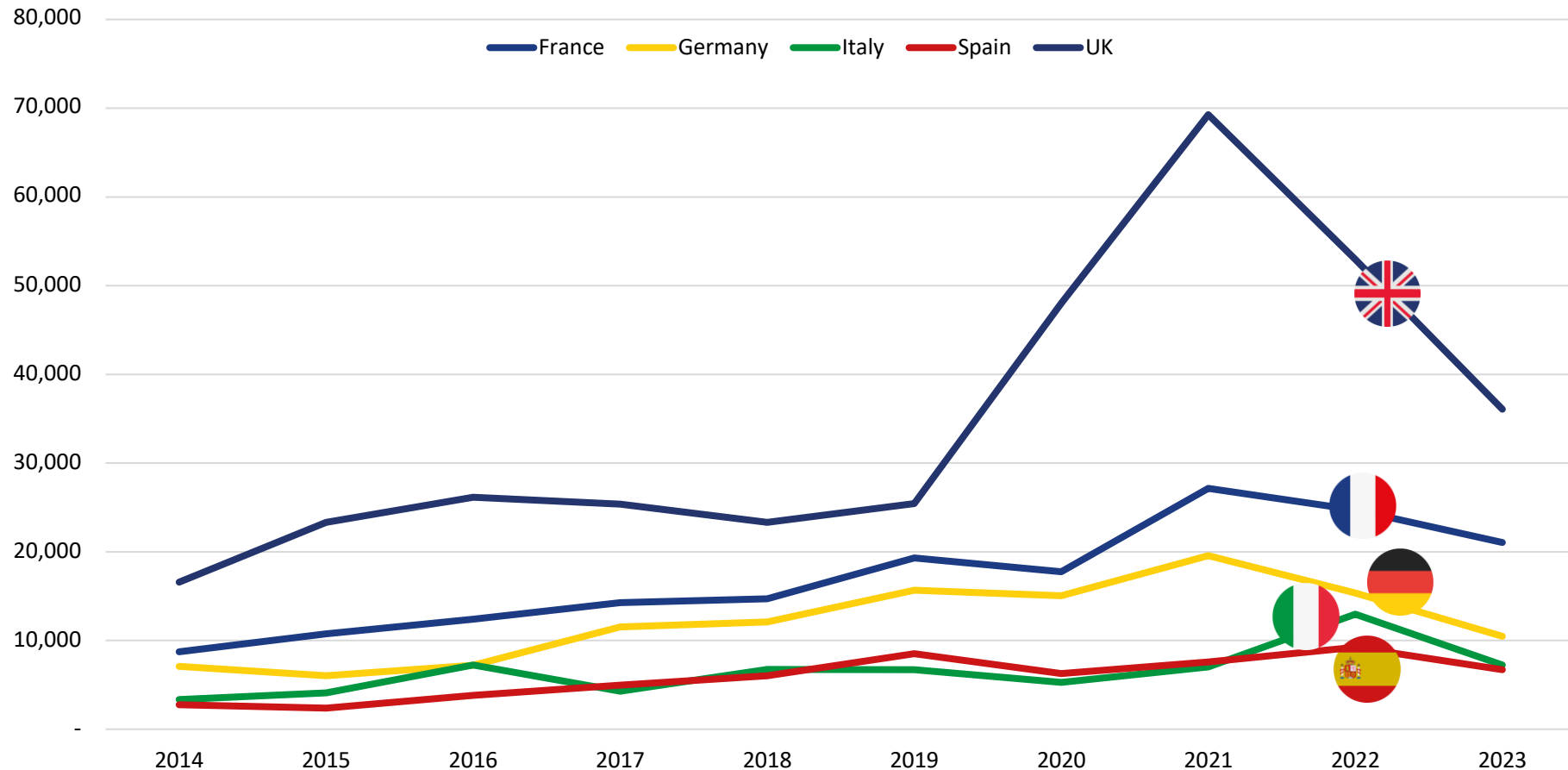
Source: European Commission, Italian Stock Exchange, Factset, AIFI-PwC for private equity, AIFI-CDP-Deloitte for private debt



## Evolution of private capital investments in the Italian market (Euro Mln)



## Evolution of private equity and venture capital investments in the Italian market (Euro Mln)



Note: infrastructures are not included  
Source: AIFI-PwC, BVCA, BVK, France Invest, SpainCap

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