



In collaboration with:



Bocconi

AIDAF–EY Chair
of Family Business Strategy
in memory of Alberto Falck



Università Commerciale
Luigi Bocconi

16th Edition of the AUB Observatory NextGen Profiles, Growth, and Equity Financing: Key Transitions for the Future and Competitiveness of Family Firms

2025

Edited by Fabio Quarato and Carlo Salvato

NextGen Profiles, Growth, and Equity Financing: Key Transitions for the Future and Competitiveness of Family Firms

- I. The (new) population of family firms: **Changes**
- II. Financial performance of family firms: **Performance**
- III. Leadership and diversity: **Governance**
- IV. Generational transitions and the NextGen profiles: **NextGen**
- V. Openness to equity financing: **Openness**





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The relevance of family firms is increasing



The population of **all companies with a turnover exceeding 20 mln €** monitored by the AUB Observatory has been growing over the last decade **by 50% (+7.856 units)** ...

... this growth is largely **driven by the increasing presence of family firms (+5.605)**

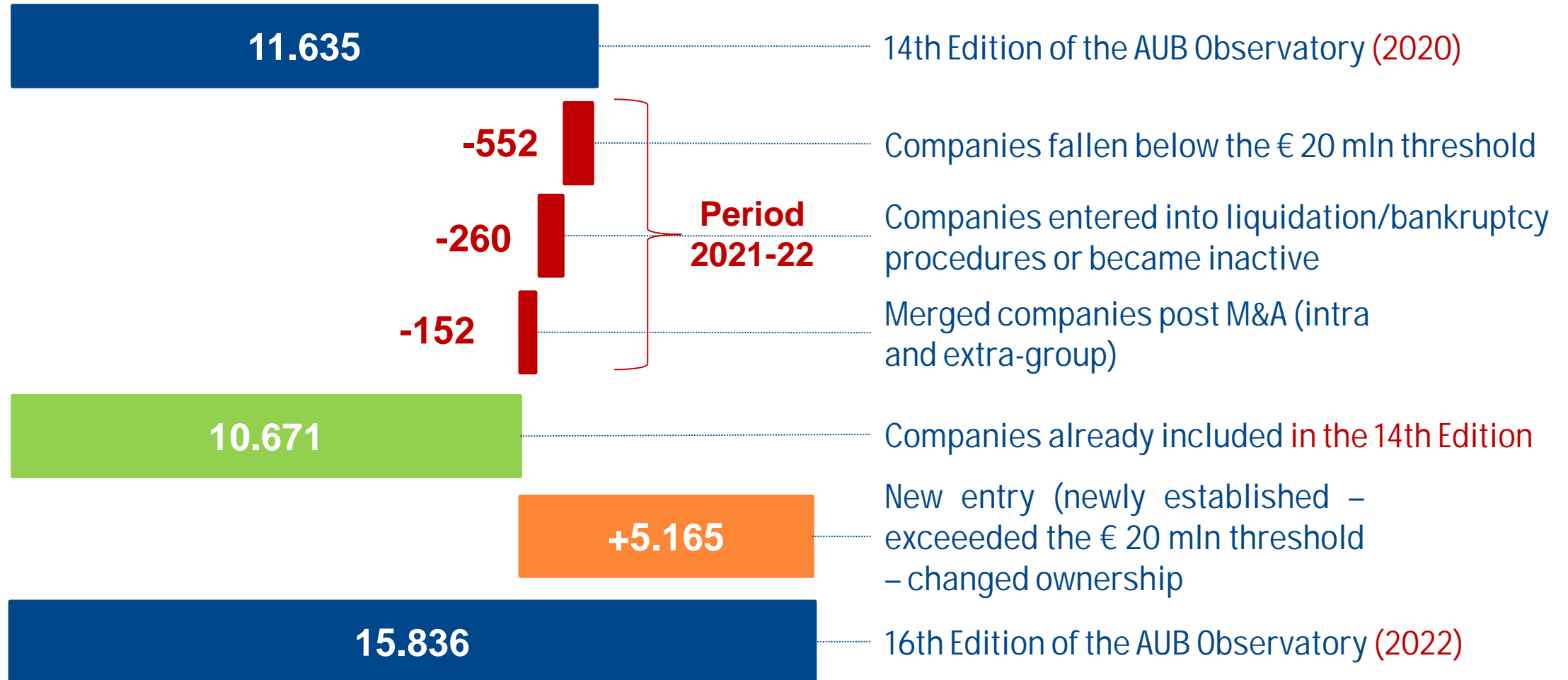
OWNERSHIP STRUCTURE	7th Edition		14th Edition		16th Edition	
	N	%	N	%	N	%
Family Firms	10.231	65,1%	11.635	65,0%	15.836	67,2%
Branches of foreign companies	2.596	16,5%	3.245	18,1%	4.017	17,0%
Cooperatives and Consortia	939	6,0%	957	5,3%	1126	4,8%
Coalitions	995	6,3%	761	4,3%	949	4,0%
State/Local authorities	612	3,9%	618	3,5%	717	3,0%
Controlled by Investment Fund/ Private Equity (P.E.)	256	1,6%	541	3,0%	778	3,3%
Controlled by Banks / Insurance	80	0,5%	110	0,6%	115	0,5%
Controlled by Foundation	13	0,1%	17	0,1%	22	0,1%
Public companies	0	0,0%	17	0,1%	18	0,1%
Total	15.722	100%	17.901	100%	23.578	100%

+7.856 (+50%)

In the current edition of the Observatory (XVI), the number of family firms with a turnover >20 mln € grew **by 4.201 units (+36,1%)** compared to the previous survey. This growth outpaced the increase in non-family firms **(+23,2%)**

Total Firms	14th edition (2020)	16th edition (2022)	Delta	Delta %
Family Firms 20-50 mln €	6.587	8.935	+ 2.348	+ 35,6%
Non-Family Firms > 50 mln €	5.048	6.901	+ 1.853	+ 36,7%
<u>Total Family Firms</u>	11.635	15.836	+ 4.201	+ 36,1%
Non-Family Firms	6.285	7.742	+ 1.457	+ 23,2%
Total Firms	17.901	23.578	+ 5.677	+ 31,7%

About 1/3 of the Observatory's population of family firms changed since the previous edition (11.635 family firms in the 14th edition vs 15.836 in the 16th edition)



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FDIs and companies with FDIs increase, but the incidence remains stable

* Branches of foreign companies were excluded from the Italian population of companies with a turnover exceeding 20 million euro

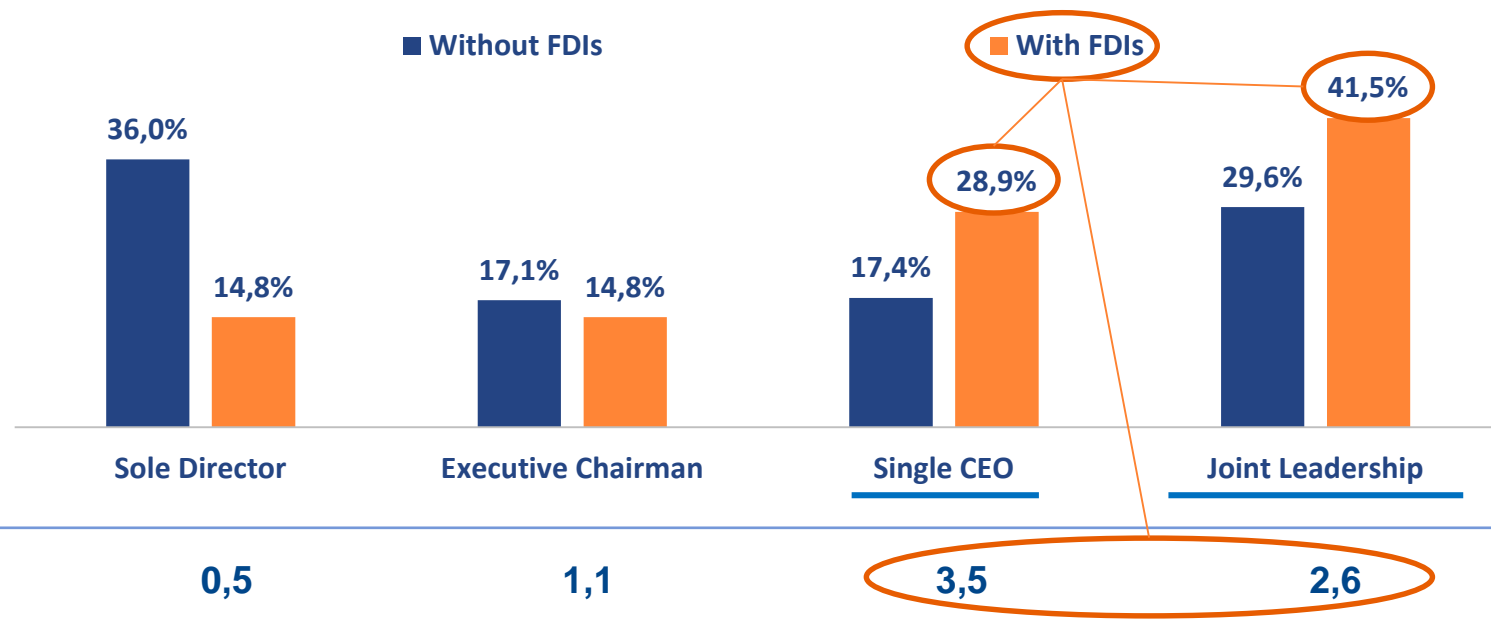
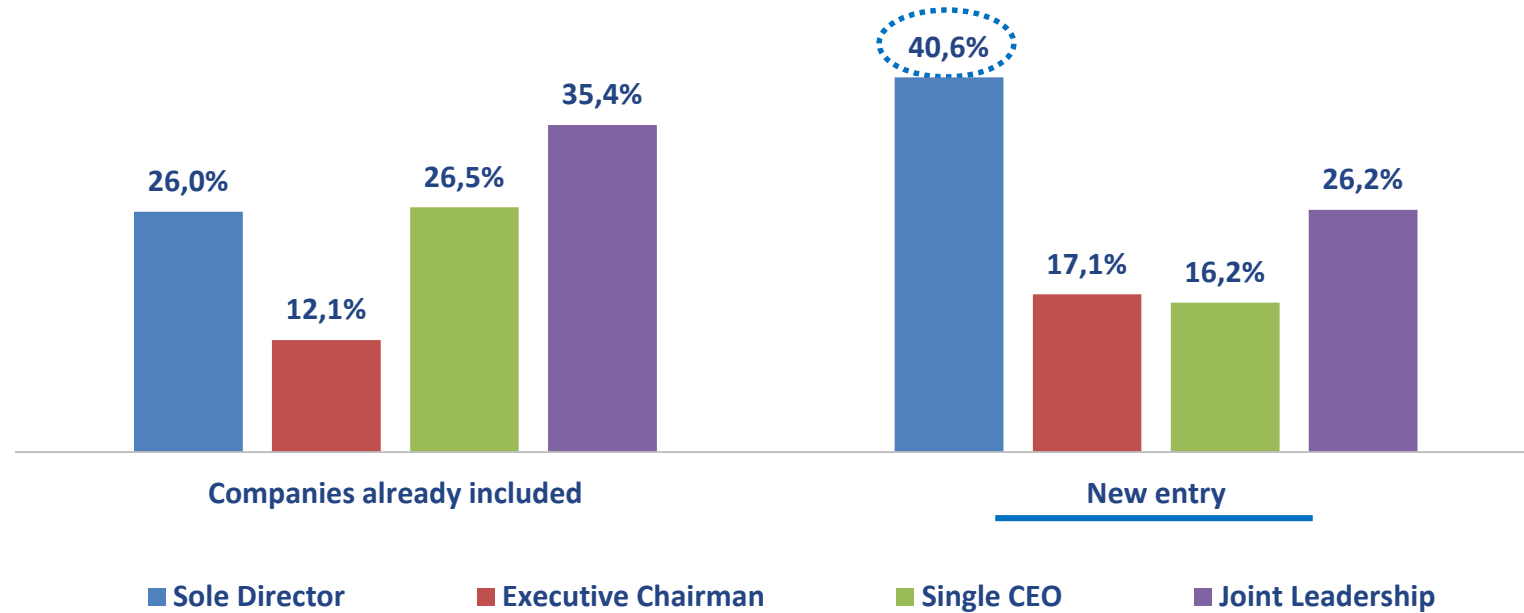
- In the 16th edition **the incidence of family firms with FDIs decreased**, from 29,2% to 27,1% (**-2,1** points), compared to the last survey (12th edition)
- However, the number of family firms with FDIs increased by **704** units

AUB Observatory	Family Firms With FDIs *	Total Family Firms **	% Family Firms with FDIs
12th edition (2019)	2.585	8.843	29,2%
16th edition (2023)	3.289	12.125	27,1%
	 + 704		 - 2,1

(*) Foreign participations with a share greater than 10% were included (Source: Orbis).

(**) Branches of foreign companies were excluded from the Italian population of companies with a turnover exceeding 20 million euro

About 4 out of 10 of the new-entry family firms of the 16th edition are lead by a Sole Director ...



... but the companies with a higher tendency towards FDIs are those lead by Single CEO and by Joint Leadership

Foreign Direct Investments (FDIs) made by the family firms of the AUB Observatory, compared to the last survey (2019), **increased by +23,1%**

Ownership Structure	12th Edition		16th Edition	
	N. of FDIs	%	N. of FDIs	%
Family Firms	18.400	77,4%	22.658	75,0%
State /Local authorities	2.323	9,8%	3.112	10,3%
Controlled by Investment Fund/ Private Equity (P.E.)	1.532	6,4%	2.602	8,6%
Coalitions	859	3,6%	995	3,3%
Cooperatives and Consortia	263	1,1%	352	1,2%
Other Ownership Structures*	393	1,7%	476	1,6%
Total	23.770	100,0%	30.195	100,0%

(*) Public companies + foundations.

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Bocconi Employment and growth continued to increase in 2023 (albeit at lower rates compared to the two previous years)

Family firms experienced an **employment growth of 17,9%** compared to pre-Covid levels. This figure exceeds the one experienced by non-family firms (**14.1%**) ...

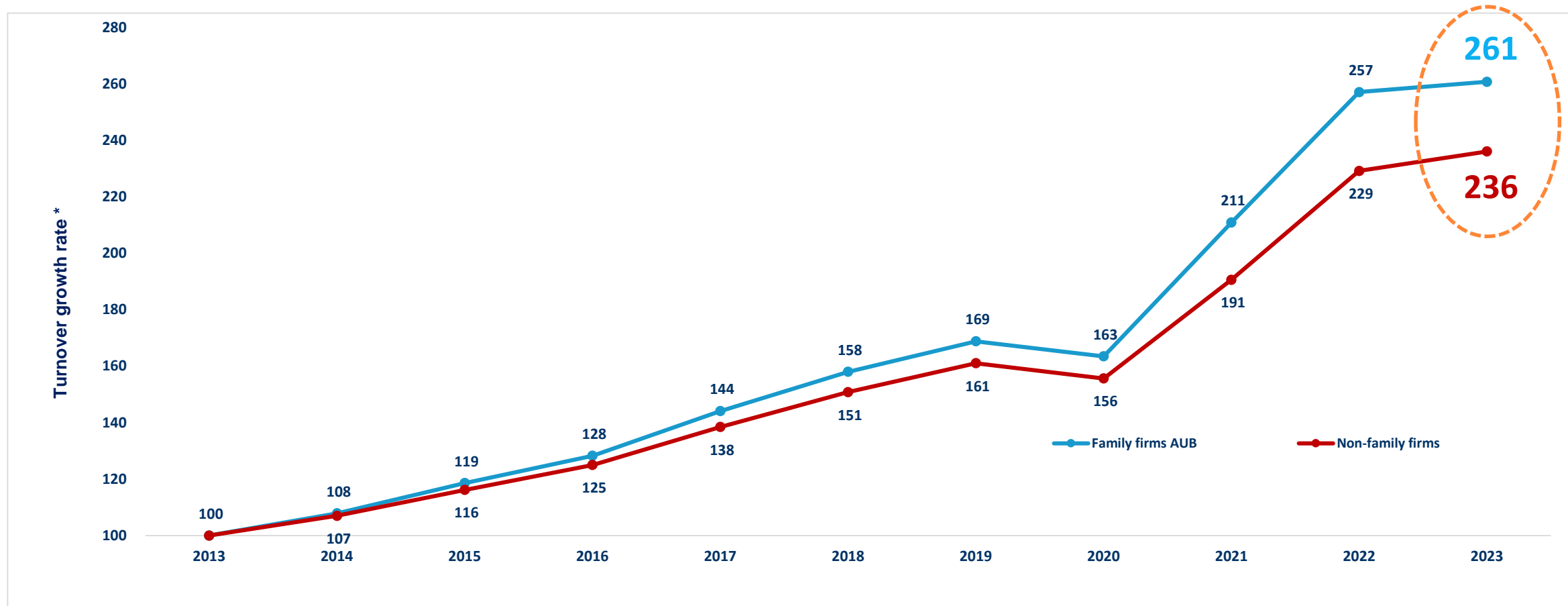
... unlike what happened after the 2008-09 crisis.

Employees (mln)	2019	2020	2021	2022	2023	Delta 2019-2023	Delta % 2019-2023
Family Firms	2,94	2,96	3,11	3,38	3,47	0,53	17,9%
Non-Family Firms	2,77	2,85	2,91	3,08	3,17	0,39	14,1%
Total	5,71	5,81	6,02	6,46	6,63	0,92	16,1%

Employees (mln)	2008	2009	2010	2011	2012	Delta 2008-2012	Delta % 2008-2012
Family Firms	1,63	1,58	1,73	1,75	1,74	0,11	6,5%
Non Family Firms	2,24	2,14	2,24	2,30	2,46	0,22	10,1%
Total	3,87	3,71	3,97	4,05	4,21	0,33	8,6%

In 2023, turnover growth rate of family firms was slightly lower than the average of non-family firms. However, a **positive growth gap** in favour of family firms persists.

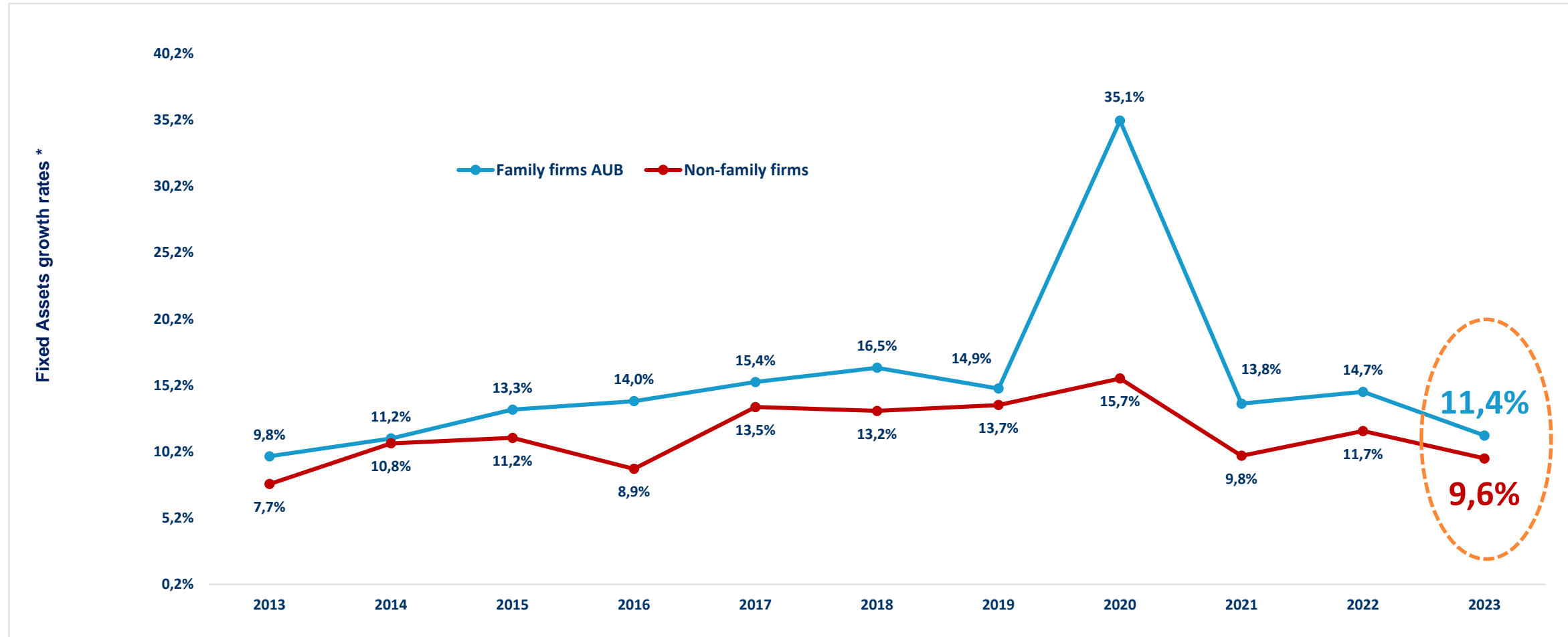
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(*) Compound growth on a base of 100 (year 2013), calculated on sales revenue (Source: Aida)

The fixed assets growth rate remained high also in 2023 (more than the average of non-family firms)

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(*) Total Fixed Assets = tangibles+ intangibles + investments (Source: Aida).

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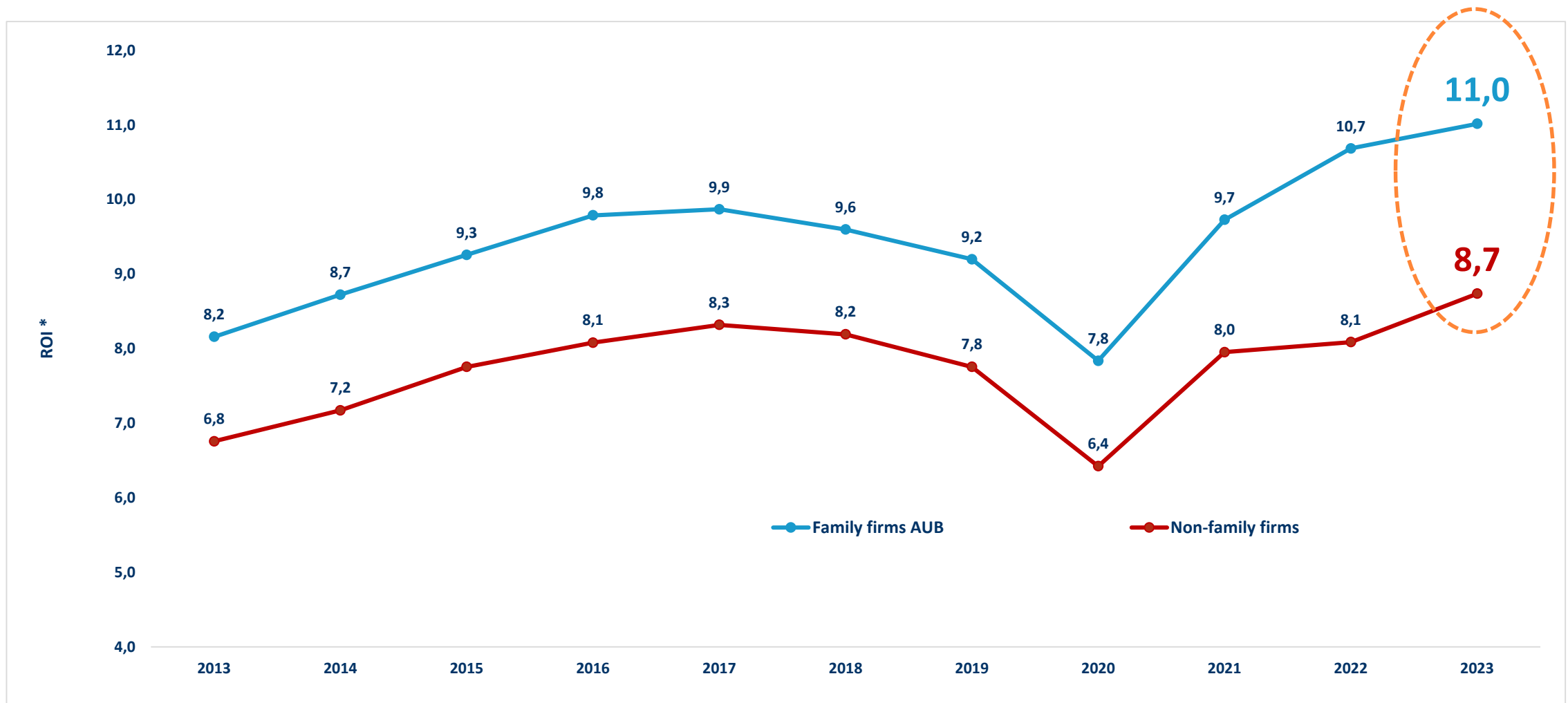
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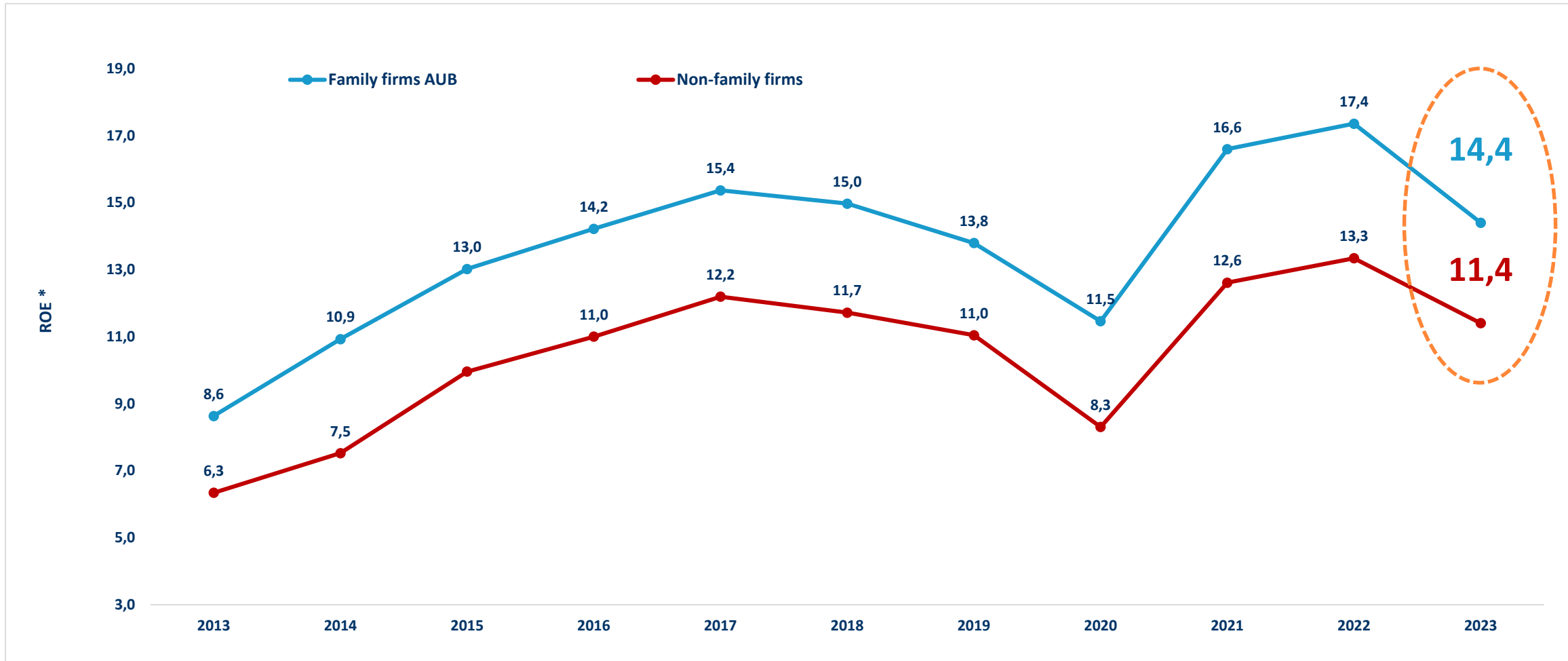
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Operating profitability of family firms continued to grow in 2023 (unlike net profitability)

ROI of family firms continued to grow in 2023. Still higher than non-family firms.



ROE of family firms in 2023 decreased from 2022 levels
However it remained higher than ROE referred to non-family firms.



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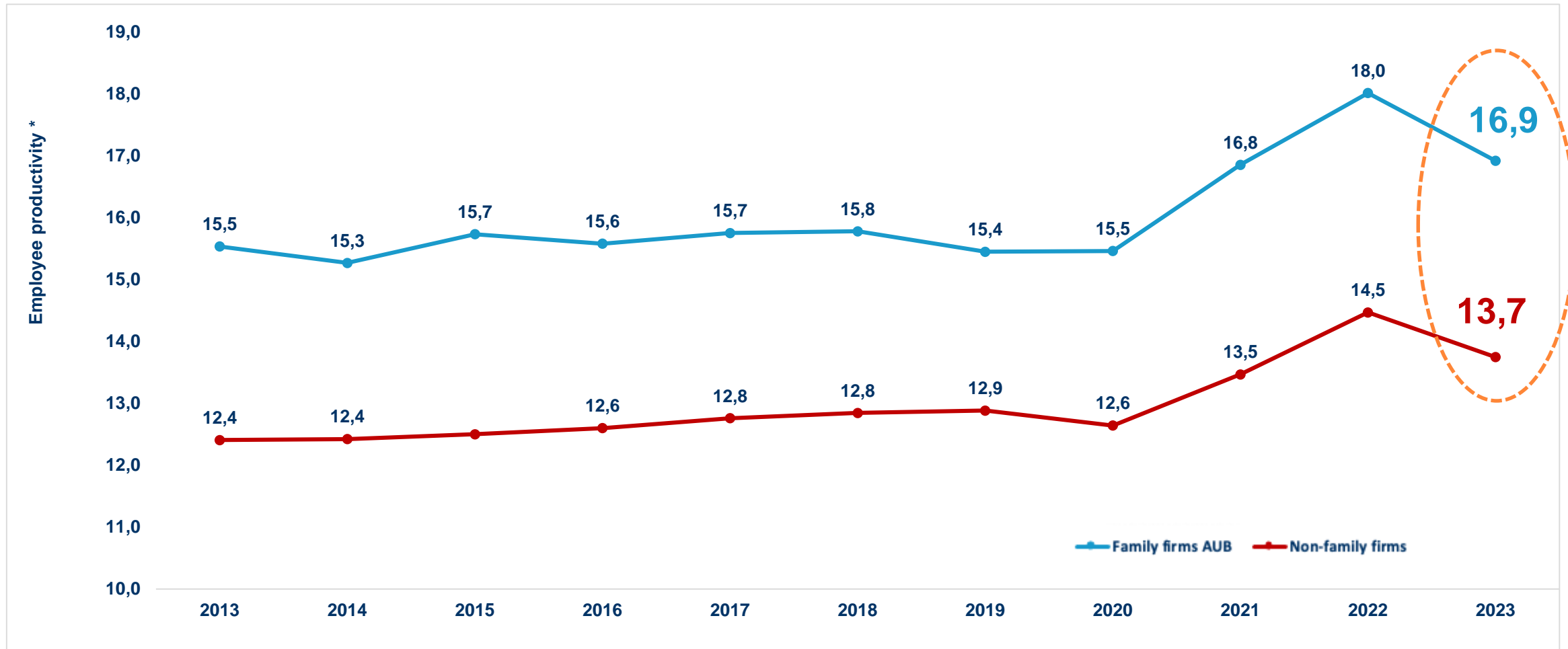


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Productivity of family firms has been improving since 2021

Since 2020, **employee productivity** of family firms has been increasing, and it maintains a (positive) gap with non-family firms

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(*) EMPLOYEE PRODUCTIVITY = Sales revenues / Personnel Costs (Source: Aida)

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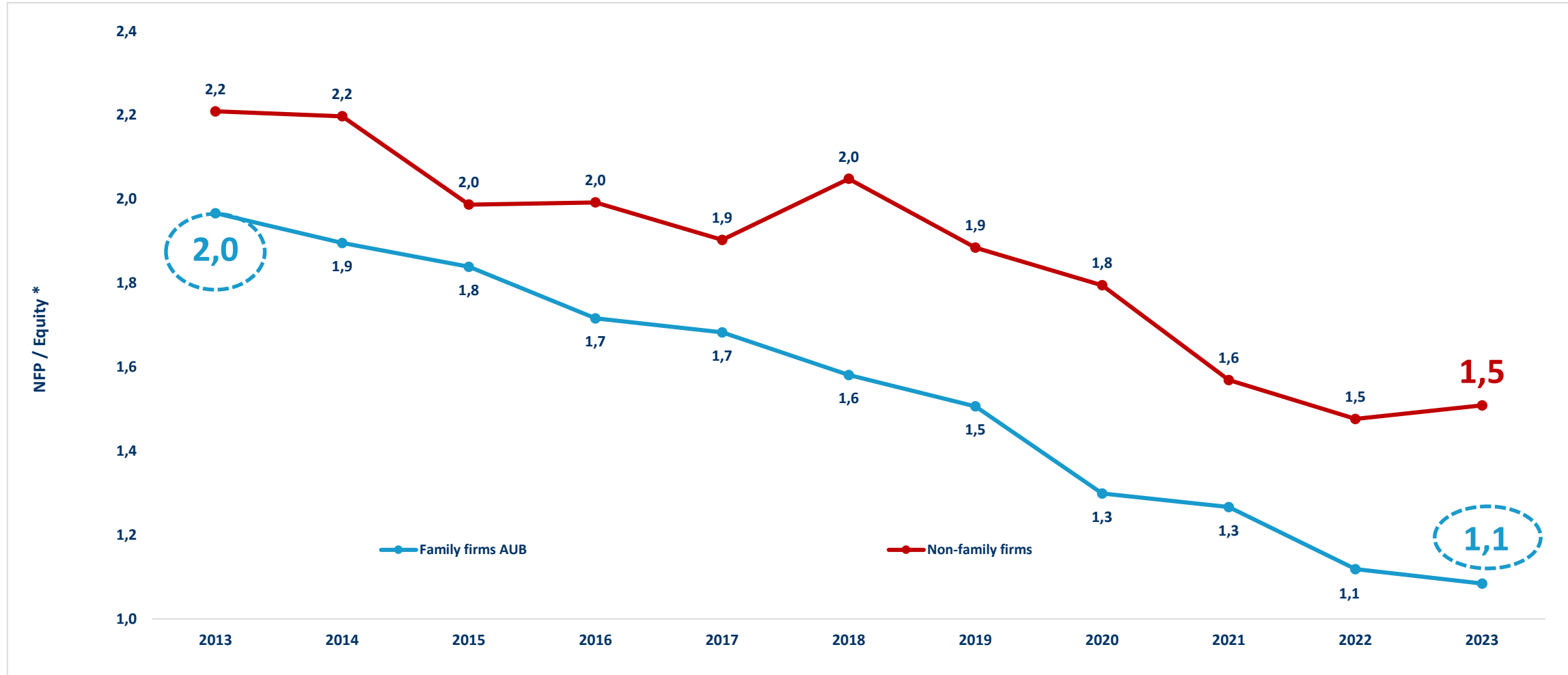


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Bocconi Family firms maintain a good financial strenght (and those with 'critical' values are decreasing)

Also in 2023 the financial strenght ratio «NFP/Equity» of family firms remained at very low levels (and almost halved over a decade)



(*) NFP / Equity Ratio = NFP / Equity (Source: Aida), where NFP was calculated as: Bank debts + Debts other lenders - Cash and cash equivalents. The ratio was calculated considering companies with positive NFP and Shareholders' Equity only. The NFP/equity ratio of non-family owned companies is a weighted average of companies with non-family ownership structures.

Compared to Pre-covid levels (2019):

- Family firms with **negative NFP** increased by approximately 7 points
- Family firms (with positive NFP) with a **problematic situation** («critical» or «warning») **decreased by approximately 11 points**

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	Pre-Covid (2019)	(Early) 2024	Delta Early 2024 / Pre-covid
Family firms with negative equity and/or EBITDA	3,2%	3,3%	+0,1
Family firms with «critical» financial situation*	20,8%	11,5%	-9,3
Family firms with «warning» financial situation*	5,9%	4,1%	-1,8
Total family firms with «critical» or «alert» financial situation	29,9%	18,9%	-11,0
Family firms with negative NFP**	33,0%	40,1%	+6,9

(*) Percentages shown are slightly different from those presented in the previous slide because the denominator includes companies with negative EBITDA and equity.

(**) Companies with negative NFP are those with cash in excess of financial debts.

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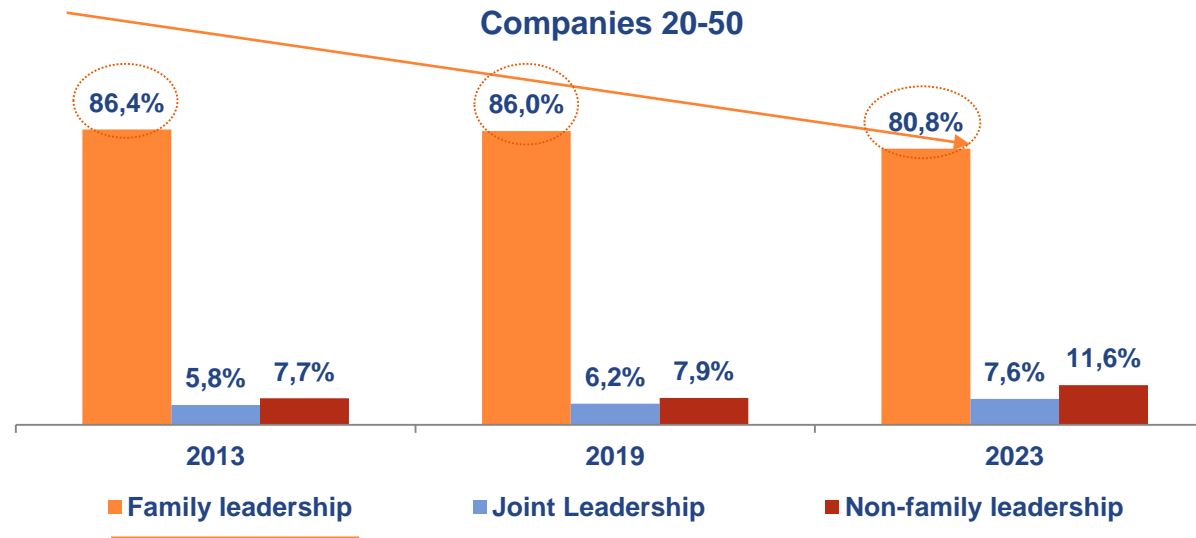
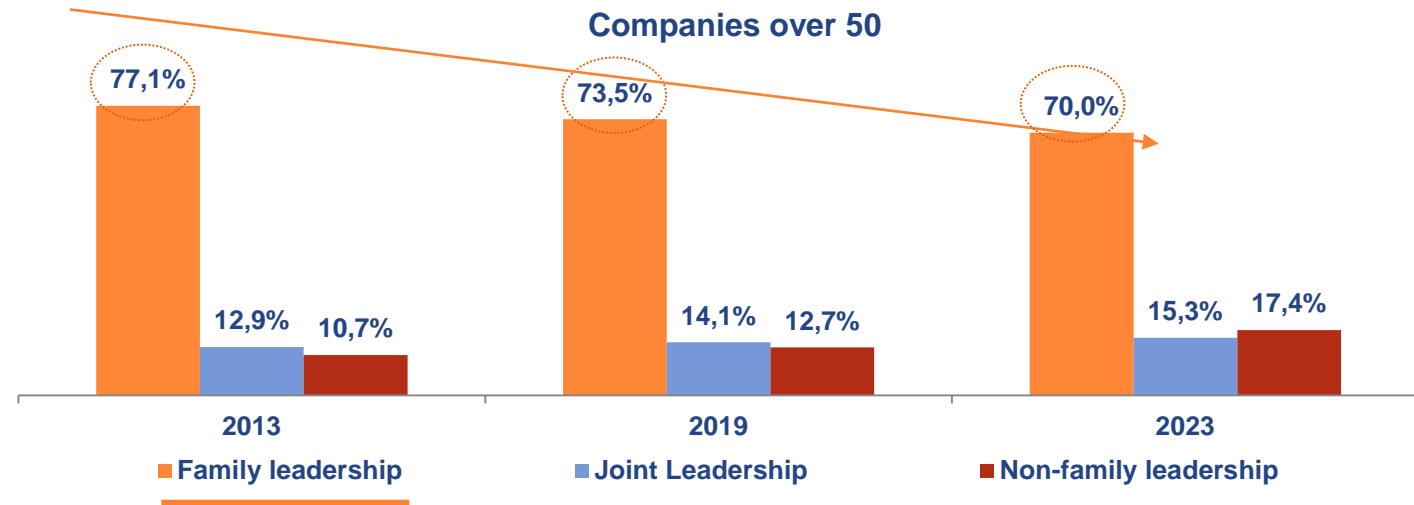


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Bocconi Family leadership better
performed during Covid, unlike
leaders over-70

Family leadership models are still the most popular ones, although they are declining



This opening-up process also started in smaller companies since 2020

Family leadership models better reacted to Covid (vs. «mixed» and «non family» leadership). They have statistically outperformed since 2020

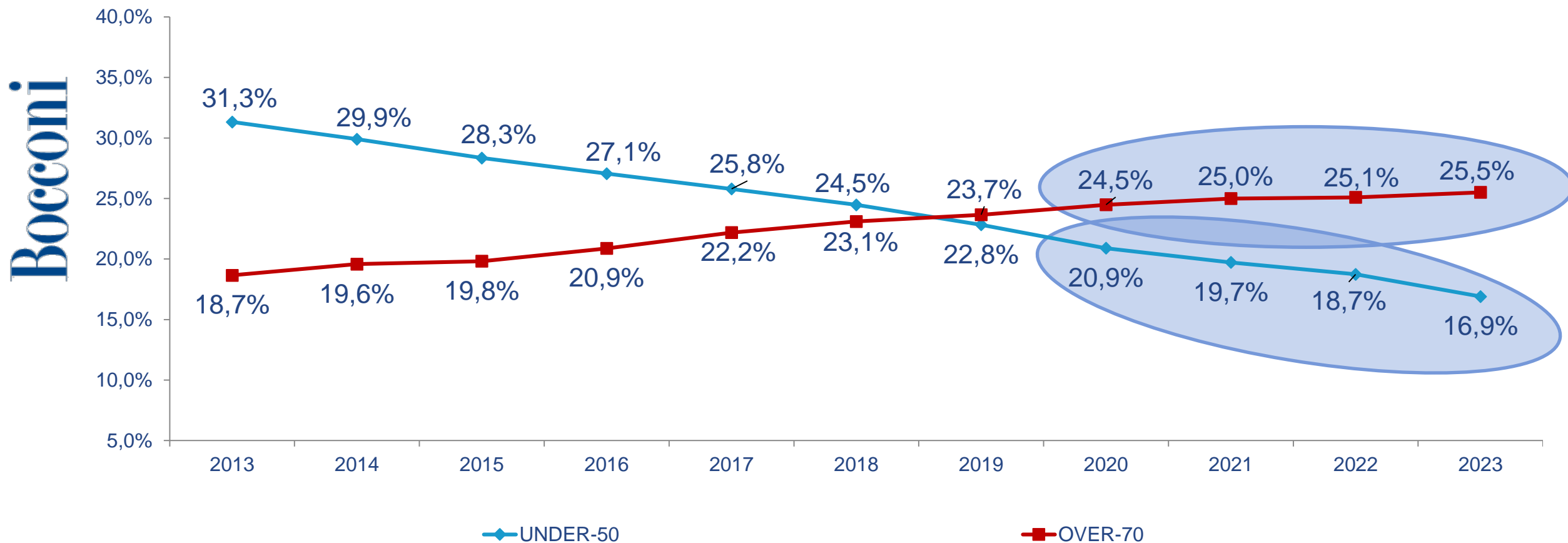
Dependent variable	ROA	ROE	Fixed assets annual growth rate	Revenue annual growth rate
Family leadership	0.84	1.42	2.16	0.80
Dummy Covid (1=post 2020; 0= pre-Covid) *	0.10	1.51	9.14	2.79
Family leadership * Dummy Covid	0.37**	0.52**	1.11**	0.70**
Year dummies	Y	Y	Y	Y
Industry dummies	Y	Y	Y	Y

Moderation analysis to estimate the impact of family leadership in the Covid period compared to the previous three years

Values indicate that different leadership models have better (+) or worse (-) performance by “x” points than the population mean with high significance (***) if p value is <.01, medium significance (**) if p value is <.05, discrete significance (*) if p value is <.1). A regression analysis was performed with the OLS model and the following controls: 1) firm age; 2) firm size; 3) year (firm year dummies); 4) industry (firm year industry) considering the first 2 digits of the Ateco 2007 code; 5) standard errors clustered by firm.

* For the Covid period, the three-years period 2020-22 was considered; for the pre-Covid period, the three-years period 2017-2019 was considered.

The growth of leaders over-70 has (almost) stopped as of 2020 (they are still 1 out of 4) ...
... while leaders under-50 continue to decline



Performance of leaders **over-70** was lower than younger ones throughout the decade, but they have experienced **even lower performance** since 2020

Dependent variable	ROA	ROE	Fixed assets annual growth rate	Revenue annual growth rate
Leaders over-70	-0.75	-0.91	-0.56	0.00
Dummy Covid (1=post 2020; 0= pre Covid) *	0.47	4.00	1.28	1.51
Leaders over-70 * Dummy Covid	-0.27**	-0.53*	-1.42*	-0.80*
Year dummies	Y	Y	Y	Y
Industry dummies	Y	Y	Y	Y

Moderation analysis to estimate the impact of the age of the leaders over-70 in the Covid period compared to the previous three years

Values indicate that different age groups have **better (+)** or **worse (-)** performance by “x” points than the population mean with high significance (***) if p value is <.01, medium significance (**) if p value is <.05, discrete significance (*) if p value is <.1). A regression analysis was performed with the OLS model and the following controls: 1) firm age; 2) firm size; 3) year (firm year dummies); 4) industry (firm year industry) considering the first 2 digits of the Ateco 2007 code; 5) standard errors clustered by firm.

* For the Covid period, the three-years period 2020-22 was considered; for the pre-Covid period, the three-years period 2017-2019 was considered.

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Board diversity «is good» but, despite the turnaround of recent years, it is still (very) limited



PRINCIPI PER IL GOVERNO DELLE SOCIETÀ NON QUOTATE A CONTROLLO FAMILIARE.

The 4 levels of diversity analyzed by the AUB Observatory, in
(descending) order of criticality:

1. At least 1 director under-40
2. At least 33% of women
3. At least 1 non family director
4. At most 1 director over-75

Dicembre 2024

Companies consistent with diversity best practices within the 4 indicators:

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2013	2019	2023	Delta 2013-19	Delta 2019-23
5,9%	4,8%	5,7%	-1,1%	+0,9%

Despite the turnaround experienced since 2020, the number is in line with that of the past decade ...

... however they showed better performance levels compared to other family firms

Dependent variable (2013-2023)	Revenue annual growth rate	ROE	ROA	ROI	Employee productivity
Variation %	+12,8% *	+4,1% **	+5,0% **	+3,4% *	+1,2% **

(a) Values indicate high significance (***) if p value is <.01, medium significance (**) if p value is <.05, discrete significance (*) if p value is <.1)
A regression analysis was performed with the OLS model and the following controls: 1) firm age; 2) firm size; 3) firm liquidity. Dummy variables were also added to control for year, industry (considering the first 2 digits of Ateco 2007 code) and region.

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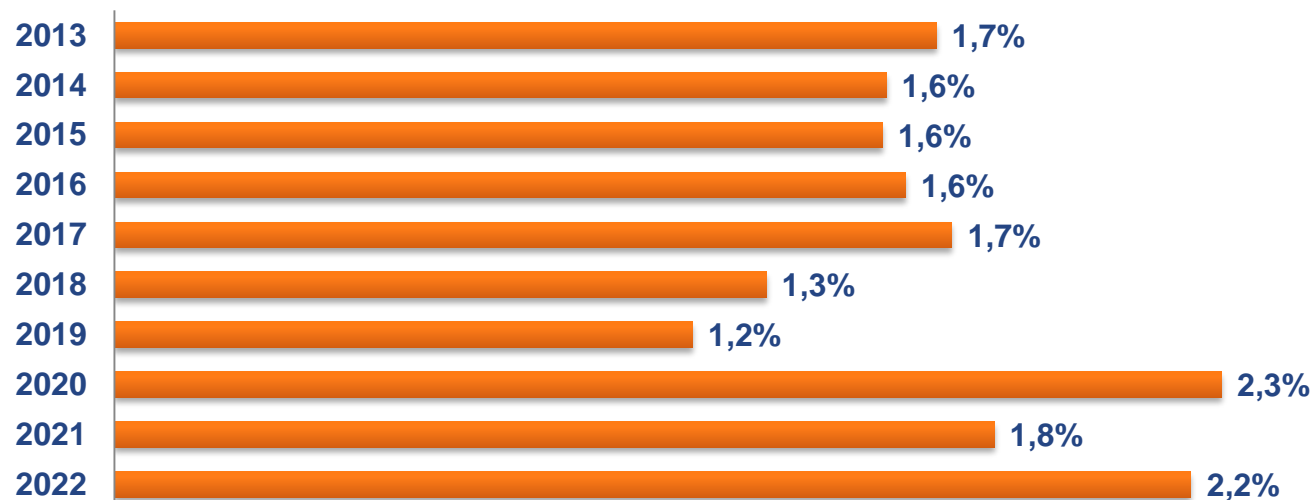


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Generational transition has a positive impact on performance



% of family firms underwent a generational transition in the year

Among the cases of leadership change, «**generational transitions**» was selected: cases where the **Senior Family Leader** passed the baton to a family member of the **NextGen**

Since 2020 an **acceleration** in **generational transitions** within Italian family firms has been registered

All family firms > 20 mln in revenue

% companies which underwent a **generational transition**

Number of companies which underwent a **generational transition**

Period 2013-2019

1,5%
per year

127
per year

3-years period 2020-2022

2,1%
per year

181
per year

What was the **performance** of family firms which underwent a **generational transition** (2013-2022)?

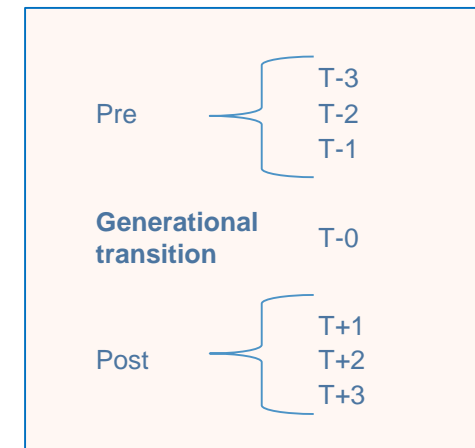
Fixed effects **regression model** with **Difference in Difference** methodology (DiD*) comparing the performance differential in the three years post-generational transition with the three previous years

The sample under investigation

1.500 family firms which underwent a **generational transition** between 2013 and 2022

The control sample

The population of family firms which **DID NOT** undergo a succession process between 2013 and 2022



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Companies which underwent a «generational transition» experienced a **positive impact** within the following performance areas

GROWTH		PROFITABILITY		SOLIDITY	PRODUCTIVITY
Revenue annual growth rate	Fixed assets annual growth rate	ROA	ROE	NFP / EBITDA*	Employee productivity
+7,4% **	+11,5% **	+5,9% ***	+3,5% **	-5,5% *	+2,4% ***

* DiD: An econometric analysis technique that calculates the effect of a treatment (i.e., an explanatory variable or an independent variable) on an outcome (i.e., a response variable or a dependent variable). Values indicate that better (+) or worse (-) performance by "x" points than the population mean with high significance (***) if p value is <.01, medium significance (**) if p value is <.05, discrete significance (*) if p value is <.1). Data from 2005-2022 were considered for analysis (Source: Aida). A regression analysis was performed with the Fixed Effects model and the following controls: 1) firm age; 2) firm size; 3) year (firm year dummies); 4) standard errors clustered by firm; 5) leverage (debt / equity ratio); 6) listing on a regulated market; 7) liquidity (Cash holdings).

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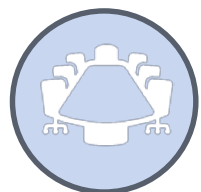
Who are the successors? NextGen profiles in generational transitions over the last decade

The Profile of successors. Investigation on:

- level of education
- type of education
- previous work experience



Population: the 1.500 family firms which underwent a generational transition



Selected sample: 446 companies:

- 397 «generational transition» (family NextGen)
- 49 «passing the baton» (external manager)



Data source: Linkedin, websites



Time horizon: decade 2013-2022

* DiD: An econometric analysis technique that calculates the effect of a treatment (i.e., an explanatory variable or an independent variable) on an outcome (i.e., a response variable or a dependent variable).

Education level* of incoming successors:

- about 70% have at least a Bachelor degree. Higher % among «external managers»
- External managers have higher qualifications than family NextGen
- NextGen women have generally higher qualifications than «external managers» e «NextGen men»

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Level of education	Whole sample	(of which) External managers	(of which) Family NextGen	(of which) Family NextGen women	(of which) Family NextGen men
PhD	1,1%	4,1%	0,8%	2,0%	0,3%
MBA	6,3%	6,1%	6,3%	7,0%	6,1%
Master Postgraduate	6,5%	6,1%	6,5%	8,0%	6,1%
Master of Science	53,8%	61,2%	52,9%	60,0%	50,5%
Bachelor	3,1%	0,0%	3,5%	7,0%	2,4%
High School Diploma	29,1%	22,4%	30,0%	16,0%	34,7%
Total	100,0%	100,0%	100,0%	100,0%	100,0%

70,9%

* Source: <https://wrds-www.wharton.upenn.edu/query-manager/query/8184518/>

Education type* of incoming successors:

- almost 1 out of 2 (46%) has a degree in economics (almost 2 out of 3 among NextGen women) ...
- ... among external managers the field of study is more diversified (STEM paths increase)

Type of education	Whole sample	(of which) External managers	(of which) Family NextGen	(of which) Family NextGen women	(of which) Family NextGen men
Business & Finance	46,0%	36,7%	47,1%	60,0%	42,8%
High School Diploma	29,1%	22,4%	30,0%	16,0%	34,7%
Engineering, Industry & Technology (STEM)	13,0%	22,4%	11,8%	6,0%	13,8%
Law Studies	4,0%	8,2%	3,5%	6,0%	2,7%
Life Sciences	2,7%	2,0%	2,8%	3,0%	2,7%
Social Sciences & Humanities	2,5%	4,1%	2,3%	7,0%	0,7%
Other	2,7%	4,1%	2,5%	2,0%	2,7%
Total	100,0%	100,0%	100,0%	100,0%	100,0%

* Source: <https://wrds-www.wharton.upenn.edu/query-manager/query/8184518/>

Work experience of incoming successors:

- Less than 2 NextGen out of 10 (16,6%) had (befor joining the family firm) a significant external work experience (compared to 7 out of 10 among external managers)
- 1 NextGen out of 20 had (befor joining the family firm) a work experience abroad (compared to 1 out of 10 among external managers)
- Slightly more than 2 NextGen out of 10 had (at least) a work experience in the same industry of the family firm

Experience	Whole sample	(of which) External managers	(of which) Family NextGen	(of which) Family NextGen women	(of which) Family NextGen men
<u>External work experience</u> (min 1 year)	22,6%	71,4%	16,6%	25,0%	13,8%
(average) Number of work experiences	2,1	3,1	1,7	1,7	1,7
<u>International experience</u> (min 6 months)	5,6%	10,2%	5,0%	4,7%	6,0%
<u>Experience in the same industry</u>	24,8%	28,6%	22,7%	24,0%	22,0%

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Work experience (especially international) and academic education amplify the positive impact on performance

The impact of generational transition is **positively amplified** when the incoming NextGen successor had a **significant external work experience** (lasting at least 1 year) before joining the company

	PROFITABILITY		GROWTH	PRODUCTIVITY
Dependent variable	ROA	ROE	Revenue annual growth rate	Employee productivity
Generational transition	0.87	1.49	-0.92	-0.20
Generational transition * External work experience	+1.02**	+3.12**	+4.36**	+1.62**
Year dummies	Y	Y	Y	Y
Firm fixed effects	Y	Y	Y	Y

Moderation analysis to estimate the impact of generational transition depending on the different profiles of the incoming successor

Similar results are obtained with **the number of external work experiences** (regardless of duration)

Values indicate **better (+)** or **worse (-)** performance by “x” points than the population mean with high significance (***) if p value is <.01, medium significance (**) if p value is <.05, discrete significance (*) if p value is <.1). Data from 2005-2022 were considered for analysis (Source: Aida). A regression analysis was performed with the Fixed Effects model and the following controls: 1) firm age; 2) firm size; 3) year (firm year dummies); 4) standard errors clustered by firm; 5) leverage (debt / equity ratio); 6) listing on a regulated market; 7) liquidity (Cash holdings).

The impact of generational transition is **positively amplified** when the NextGen incoming successor had (before joining the company) a **work experience abroad** (lasting at least 6 months)

	PROFITABILITY		GROWTH	PRODUCTIVITY	
Dependent variable	ROA	ROE	Revenue annual growth rate	Employee productivity	
Generational transition	0.98	1.99	-0.60	0.13	Moderation analysis to estimate the impact of generational transition depending on the different profiles of the incoming successor
Generational transition * Experience abroad	+1.53*	+1.17	+8.16**	+0.21*	
Year dummies	Y	Y	Y	Y	
Firm fixed effects	Y	Y	Y	Y	

Having a **work experience in the same industry** of the family firm is not correlated with a (statistically) significant difference in performance

Values indicate **better (+)** or **worse (-)** performance by “x” points than the population mean with high significance (***) if p value is <.01, medium significance (**) if p value is <.05, discrete significance (*) if p value is <.1). Data from 2005-2022 were considered for analysis (Source: Aida). A regression analysis was performed with the Fixed Effects model and the following controls: 1) firm age; 2) firm size; 3) year (firm year dummies); 4) standard errors clustered by firm; 5) leverage (debt / equity ratio); 6) listing on a regulated market; 7) liquidity (Cash holdings).

The impact of generational transition is **positively amplified** (with the exception of operating profitability) when the NextGen incoming successor has **at least a second-level university qualification** (master of science)

Dependent variable	ROA	NET PROFITABILITY	GROWTH	PRODUCTIVITY	
		ROE	Revenue annual growth rate	Employee productivity	
Generational transition	1.23	4.15	+1.83	-0.10	Moderation analysis to estimate the impact of generational transition depending on the different profiles of the incoming successor
Generational transition * Master of Science	+0.23	+2.30**	+4.18**	+0.72**	
Year dummies	Y	Y	Y	Y	
Firm fixed effects	Y	Y	Y	Y	

The achievement of a postgraduate degree (MBA or PhD) is not correlated with a (statistically) significant difference in performance

Values indicate **better (+)** or **worse (-)** performance by “x” points than the population mean with high significance (***** o *****) if p value is <.01, medium significance (**** o ****) if p value is <.05, discrete significance (*** o ***) if p value is <.1). Data from 2005-2022 were considered for analysis (Source: Aida). A regression analysis was performed with the Fixed Effects model and the following controls: 1) firm age; 2) firm size; 3) year (firm year dummies); 4) standard errors clustered by firm; 5) leverage (debt / equity ratio); 6) listing on a regulated market; 7) liquidity (Cash holdings).

The impact of generational transition is **positively amplified** when the NextGen incoming successor achieved at least a bachelor's degree in the **field of economics** (business & finance)

	PROFITABILITY		GROWTH	PRODUCTIVITY
Dependent variable	ROA	ROE	Revenue annual growth rate	Employee productivity
Generational transition	1.01	2.08	-1.83	-0.22
Generational transition * Degree in economics (business & finance)	+0.63*	+3.00**	+3.26*	+0.81**
Year dummies	Y	Y	Y	Y
Firm fixed effects	Y	Y	Y	Y

Moderation analysis to estimate the impact of generational transition depending on the different profiles of the incoming successor

The achievement of a degree in STEM areas is not correlated with a (statistically) significant difference in performance

Values indicate **better (+)** or **worse (-)** performance by “x” points than the population mean with high significance (***) if p value is <.01, medium significance (**) if p value is <.05, discrete significance (*) if p value is <.1). Data from 2005-2022 were considered for analysis (Source: Aida). A regression analysis was performed with the Fixed Effects model and the following controls: 1) firm age; 2) firm size; 3) year (firm year dummies); 4) standard errors clustered by firm; 5) leverage (debt / equity ratio); 6) listing on a regulated market; 7) liquidity (Cash holdings).

CHANGES



PERFORMANCE



GOVERNANCE



NEXTGEN



OPENNESS



Bocconi Openness to equity financing:
Companies which transferred control
(to an industrial partner) prevail

Approximately 8% of family firms with turnover > € 20 mln involved external investors through one of the following three methods*:

- the sale of a minority stake
- listing (while retaining control)
- transfer of control to third parties

Type of equity financing	Total	%
Minority stake	273	1,7%
Listing	142	0,9%
Transfer of control **	875	5,5%

Minority Stake

Industrial partner*** 48,4%

Transfer of control

Industrial partner*** 62,1%

* All companies included in the 16th edition of the Observatory which, as at 31.12.2023, sold equity shares to parties outside the controlling family(ies) (source: AIDA)

** These transactions also include companies that remained controlled by families because they were acquired by a family-controlled acquiring company.

*** All industrial partners were classified as 'industrial partners', regardless of the nature of the reference shareholder (family-controlled, foreign group, coalition, etc.).

CHANGES



PERFORMANCE



GOVERNANCE



NEXTGEN



OPENNESS



Bocconi Family firms involving external investors have more structured and diverse leadership models

Equity financing is:

- **negatively correlated** with the age of the leader and the presence of family members on the board
- **negatively correlated** with the presence of the founder in cases of transfer of control (as opposed to **minority stake sales**)
- **positively correlated** with profitability performance

Dependent variable:
Equity financing (yes/no)

Minority stake

Listing

Transfer of control

First generation (Founder)

0.13**

0.45

-0.37***

Family leadership

0.7**

0.27

-0.13

% family directors

-2.4***

-2.7***

-3.6***

Leaders over-70

-0.5***

-0.5***

-0.08

ROI

0.02***

0.02***

0.02**

* LOGIT regression model. For divested companies, the indicators average over the three-years pre-divestment period was considered. For non-divested companies, the indicators average over the period 2011-2018 was considered.

** Values indicate high significance (***) if p value is <.01, medium significance (**) if p value is <.05, discrete significance (*) if p value is <.1).

CHANGES



PERFORMANCE



GOVERNANCE



NEXTGEN



OPENNESS



Bocconi

Equity financing through
minority stakes and listing
improve performance

Companies which involved external investors through **minority stakes and listing** showed **statistically higher performance** (since the year they involved external investors) than the national average of the AUB Observatory

Dependent variable:	<u>Minority stakes</u>	<u>Listing</u>	Transfer of control
ROI	+0.48**	+0.54*	-1.40
Revenue growth rate	+1.36**	+3.0***	+0.09
N. FDIs	+1.15**	+11.7***	-0.23
Fixed assets growth rate	+1.8**	+6.7***	+3.3***

Among minority stakes, the impact on profitability is **amplified** in the case of involvement of an **industrial partner** (compared to transfer of control)

Values indicate **better (+) or worse (-)** performance by “x” points than the population mean with high significance (***** o *****) if p value is <.01, medium significance (**** o ****) if p value is <.05, discrete significance (*** o ***) if p value is <.1). Data from 2005-2022 were considered for analysis (Source: Aida). A regression analysis was performed with the Fixed Effects model and the following controls: 1) firm age; 2) firm size; 3) year (firm year dummies); 4) standard errors clustered by firm; 5) leverage (debt / equity ratio); 6) listing on a regulated market; 7) liquidity (Cash holdings).

To sum up:

Changes



- Strong increase in companies with turnover >20M (many of them family-owned)
- Increase in FDIs by family firms (and family firms with FDIs)

Performance



- Ongoing growth in employment and assets (at slightly lower rates)
- Increasing operating profitability (declining net profitability, higher than non-f.)
- Increasing productivity of family firms (higher than non-f.)
- Constant improvement of the financial strength (higher than non-f.)

Governance



- Reduction in family leadership (but better performance)
- Negative performance of leaders over-70 (and reduction of leaders under-50)
- Positive effects of board diversity (which slightly increased)

NextGen



- Acceleration of generational transitions since 2020
- Positive impact on all performance measures
- Positive impact of education and work experience, even abroad

Openness



- 8% of family firms involved external investors (transfer of control prevails)
- 50-60% of partners are industrial
- The transfer of minority stakes and, mainly, listing drive better performance

Thanks to the team that worked on the research activities of the 16th
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Researchers: Pasquale Latella

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di Romagnano



The numbers of the AIDAF-EY Chair LinkedIn profile*:

	2021	2022	2023	2024
Followers as of December 31st	1.773	2.333	2.908	3.800
Published posts	82	100	101	115
Profile single visits	n.d.	n.d.	91.148	223.573
Post sharings	201	174	194	195
Post views	138.957	145.779	138.877	331.902
Likes and post reactions	2.088	2.080	2.495	5.438

* Updated data as 31/12/2024

[AIDAF-EY Chair Website](#)



In collaboration with:



Bocconi

AIDAF–EY Chair
of Family Business Strategy
in memory of Alberto Falck

16th Edition of the AUB Observatory

Thank you for your attention

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