

9

The AUB Observatory Report on
Italian Family Firms

Edition

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- II. AUB family firms performance
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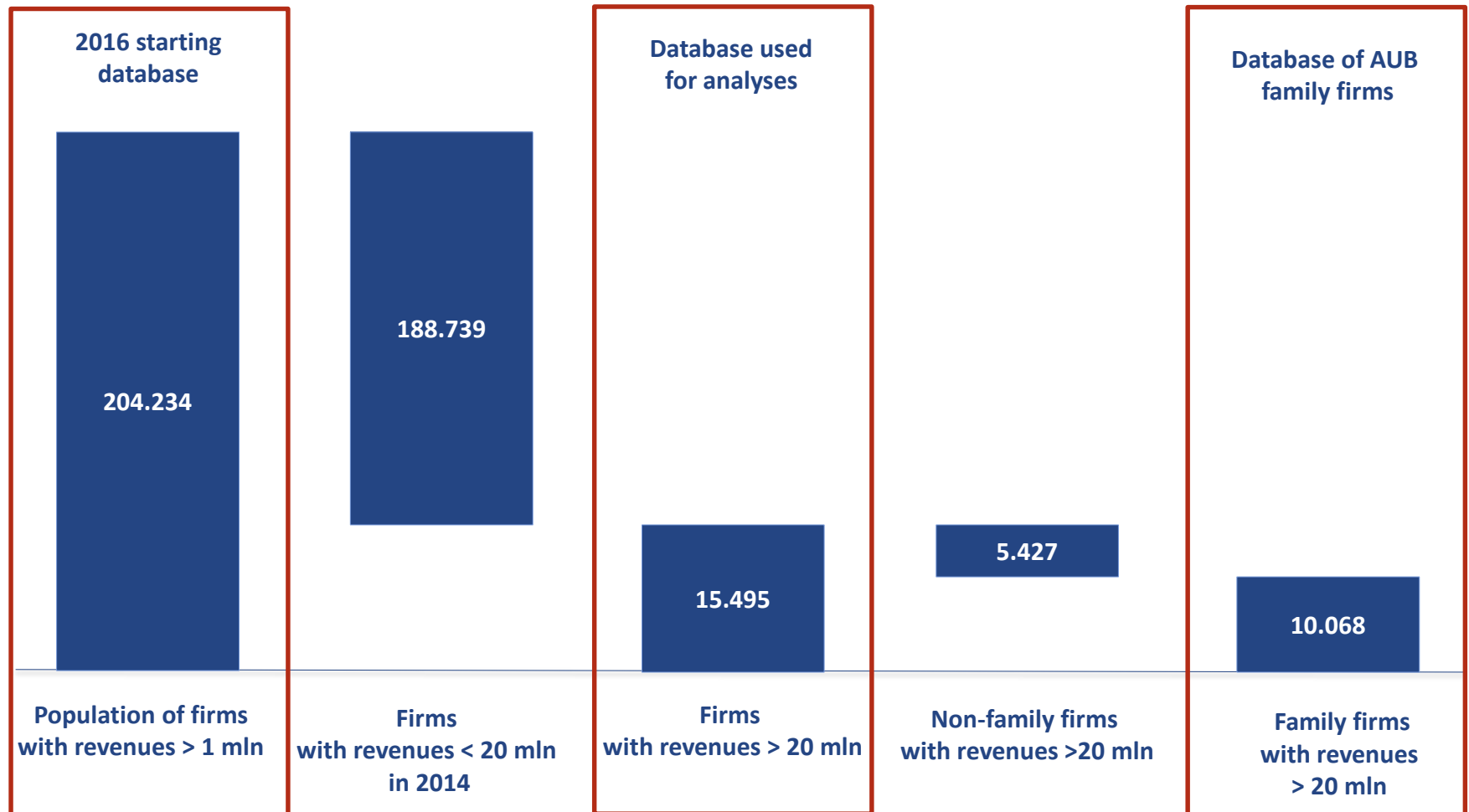
The firms included in the AUB Observatory

The research population



The starting population is composed by all active firms with revenues > 1 mln € in the fiscal year 2016

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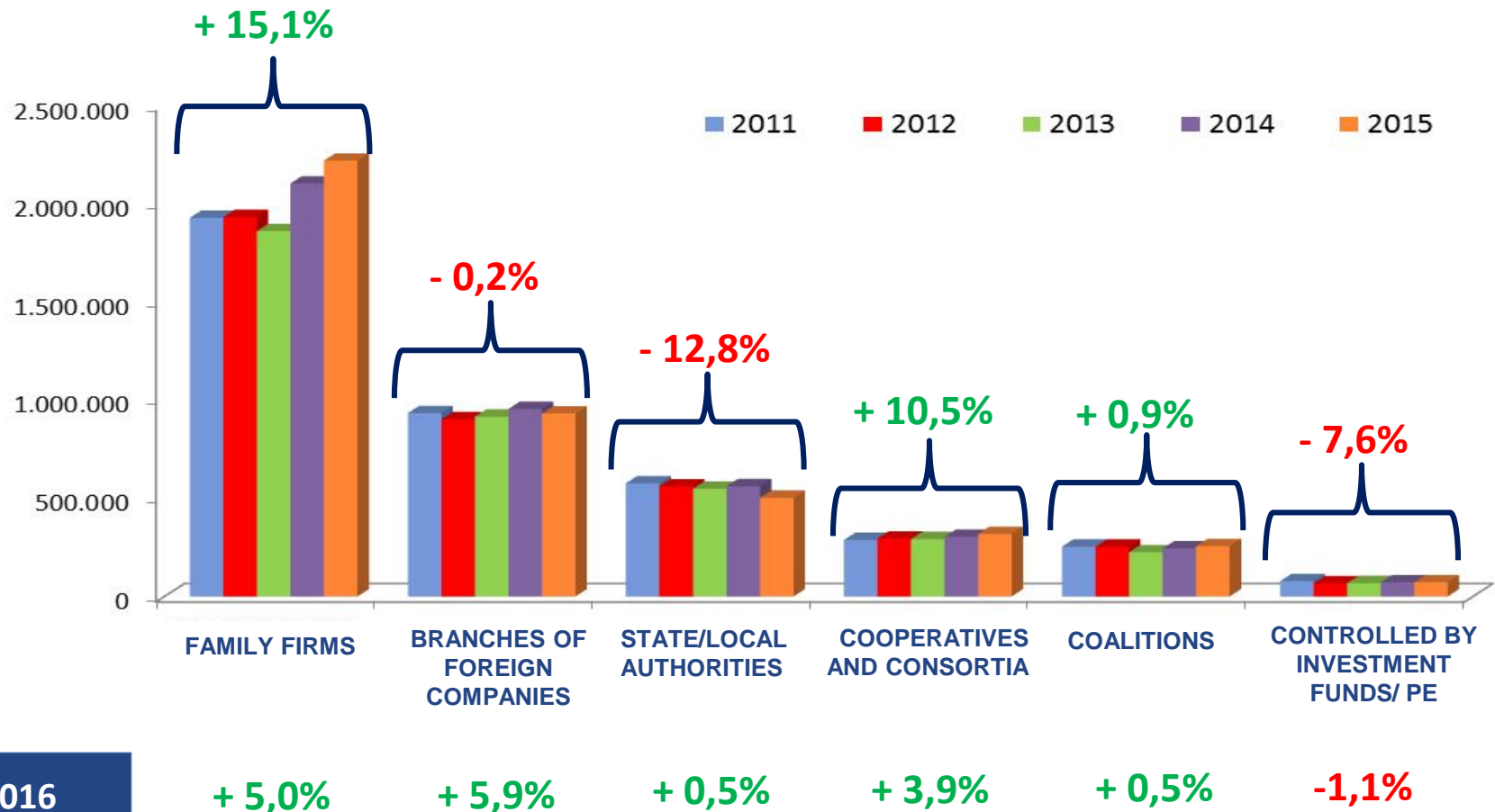
Population of firms with revenues > 20 mln € in the 9th edition

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Ownership structure	IX edition	
	<i>N</i>	%
Family firms	10.068	65,0%
Branches of foreign companies	2.668	17,2%
Cooperatives and Consortia	899	5,8%
Coalitions	890	5,7%
State/Local authorities	579	3,7%
Controlled by Investment Funds/ PE	274	1,8%
Controlled by Banks/Insurance	103	0,7%
Controlled by Foundations	12	0,1%
Public companies	2	0,0%
<i>Total</i>	15.495	100,0%

The trend of employment in the companies of the AUB Observatory over the last five years (*)

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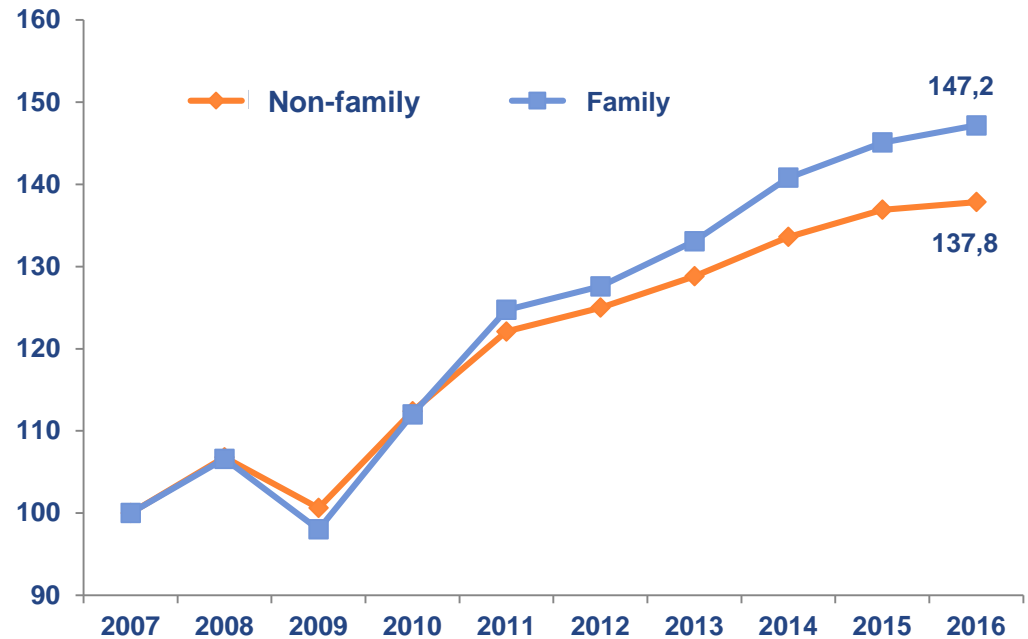


(*) Source: AUB Observatory elaborations on Aida data. The 2016 financial data coverage is equal to 80% of the entire population of the companies of the AUB Observatory

AUB family firms performance Higher growth and profitability, lower debt*

* Financial data coverage in 2016 is around 80% of the entire population of the AUB Observatory

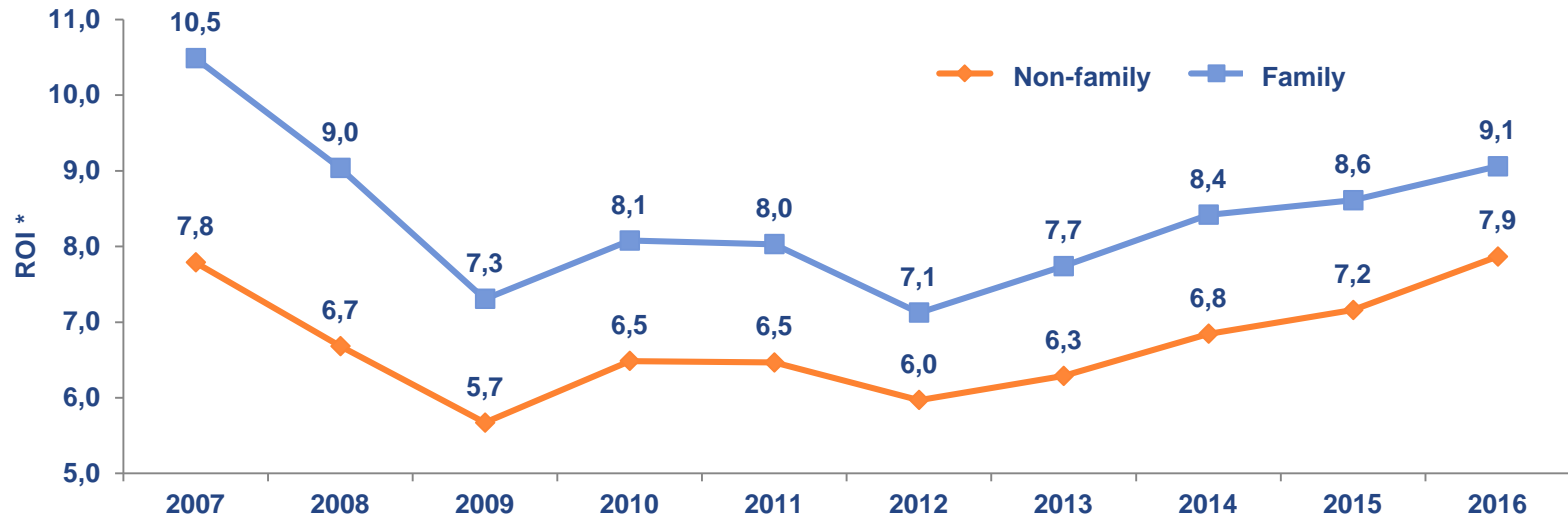
Revenues from family businesses have grown about **10 points** more than non-family ones over the last decade.



Non-Family	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cooperatives and Consortia	100,0	110,8	111,8	120,7	132,0	138,1	144,3	148,8	150,6	149,1
Coalitions	100,0	108,4	103,1	118,0	128,9	132,7	138,0	143,9	147,5	146,8
Controlled by Investment Funds/PE	100,0	100,8	95,4	109,0	119,5	123,3	126,5	134,7	141,5	144,5
Branches of foreign companies	100,0	105,1	95,3	107,4	117,0	118,4	121,1	125,9	129,6	132,0
State or Local Authorities	100,0	109,8	113,9	120,1	124,9	130,1	133,4	131,8	130,5	129,2

(*) Cumulative growth (100 in base year 2007), calculated on the basis of sales revenues growth rates (source: Aida). Cumulative growth for non-family firms has been calculated as the weighted average of sales revenue growth rates of non-family firms with different ownership structures.

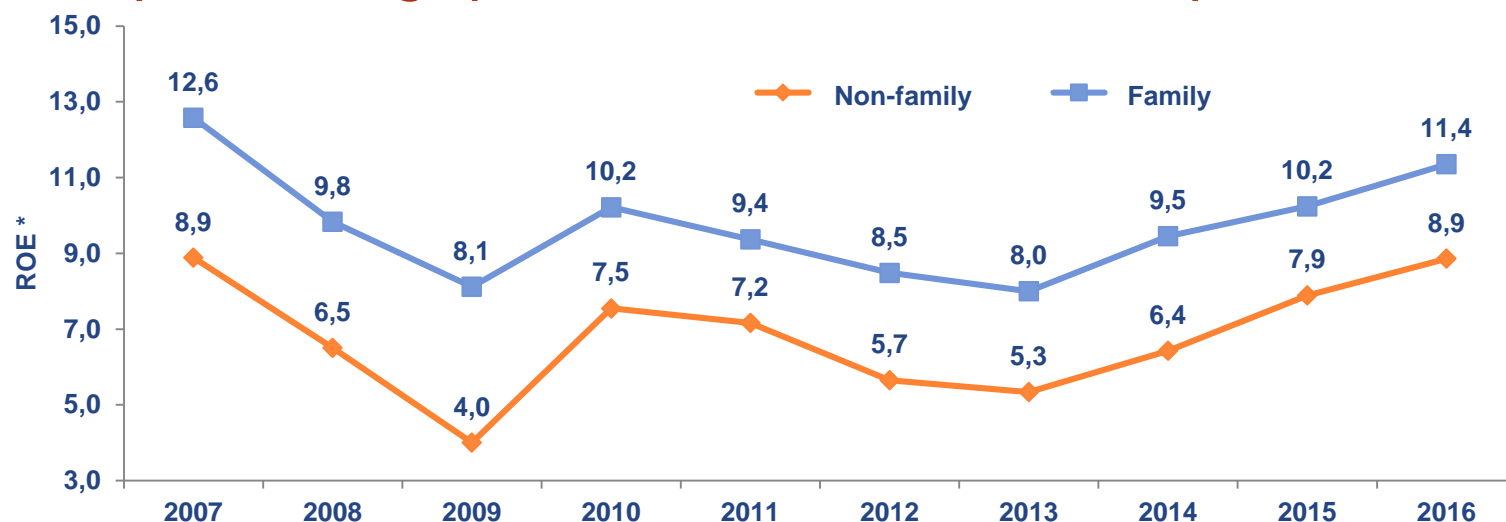
Family firms continue to maintain a positive gap of operating profitability



Non-Family	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Branches of foreign companies	8,9	7,4	6,0	7,4	7,4	7,1	7,5	7,9	8,5	9,5
State or Local Authorities	4,8	4,8	5,2	5,4	5,2	4,4	5,5	6,6	6,4	7,7
Coalitions	9,0	7,9	6,5	7,4	6,9	5,9	6,1	7,0	7,3	7,7
Controlled by Investment Funds/ PE	7,1	6,4	4,6	6,0	5,4	4,4	4,3	5,8	5,7	7,5
Cooperatives and Consortia	5,5	4,6	4,4	3,9	4,3	3,7	3,9	4,1	3,7	3,8

(*) ROI: Net Operating / Net Income (Source: Aida). The profitability of non-family companies is a weighted average of the growth rates of companies with non-family ownership structures.

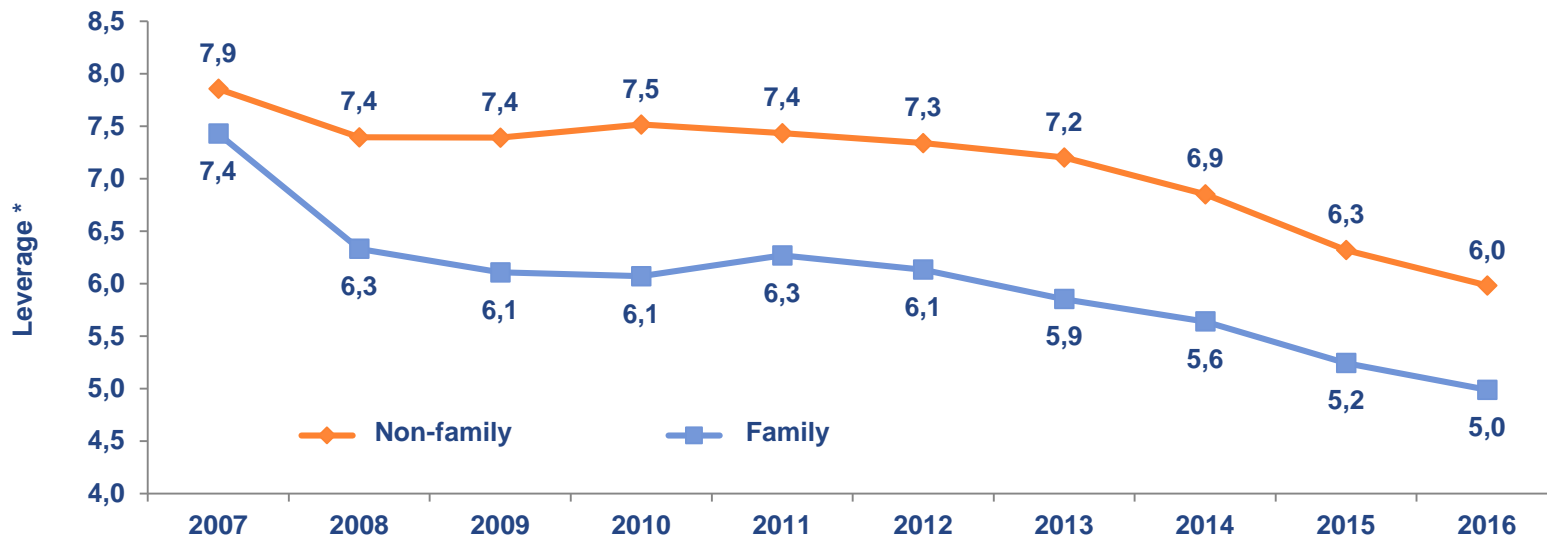
Family firms continue to maintain a positive gap in the return on net capital



Non-Family	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Branches of foreign companies	9,7	6,5	3,2	8,1	7,8	6,6	6,2	7,2	9,4	10,5
Coalitions	13,6	11,3	8,3	10,6	8,8	7,1	6,0	8,0	7,1	8,9
State or Local Authorities	2,4	4,2	3,9	4,9	2,8	3,5	4,4	4,0	7,6	8,8
Controlled by Investment Funds/PE	4,4	2,9	-5,5	2,7	3,0	-2,5	-0,9	2,0	4,3	8,1
Cooperatives and Consortia	4,9	3,0	4,2	4,7	5,7	2,8	3,0	3,5	3,7	2,9

(*) ROE: Net Income / Net Equity (Source: Aida). The profitability of non-family companies is a weighted average of the growth rates of companies with non-family ownership structures.

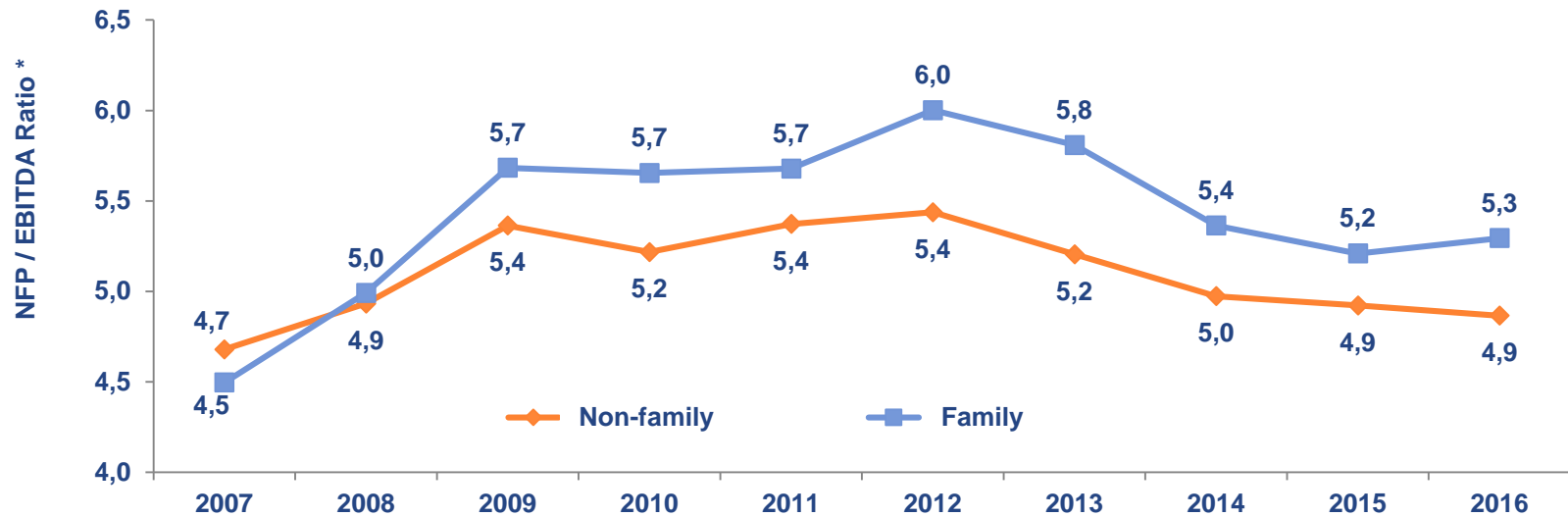
Even in 2016 family firms have shown
lower leverage compared to non-family ones



Non-Family	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cooperatives and Consortia	11,6	10,5	11,3	11,4	11,3	11,8	11,5	11,7	10,5	10,2
Controlled by Investment Funds/PE	7,7	7,8	7,3	7,3	6,7	6,9	7,2	6,9	6,0	6,2
Coalitions	7,8	6,7	6,5	6,5	6,7	6,3	6,5	6,3	6,2	5,8
State or Local Authorities	7,7	8,5	8,2	7,5	7,4	7,7	7,8	7,2	6,1	5,7
Branches of foreign companies	7,0	6,7	6,6	6,7	6,6	6,4	6,2	5,7	5,4	5,0

(*) Leverage= Total Assets/Equity (source: Aida). The ratio for non-family firms is a weighted average of the ratios of all firms with a non-family ownership structure.

From 2009 family firms have shown a
lower capability to repay debt



Non-family	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cooperatives and Consortia	6,6	7,0	6,7	7,8	7,5	8,1	7,6	7,6	7,8	7,6
Coalitions	4,4	5,0	5,8	5,3	5,6	5,9	6,0	4,9	5,0	5,2
Controlled by Investment Funds/ PE	5,4	6,7	7,4	5,6	6,2	4,4	5,3	3,5	2,9	4,2
State or Local Authorities	4,5	4,4	4,5	4,8	4,7	4,7	3,6	3,5	3,5	3,3
Branches of foreign companies	3,9	4,0	4,5	3,9	4,3	4,1	3,9	4,1	3,7	3,2

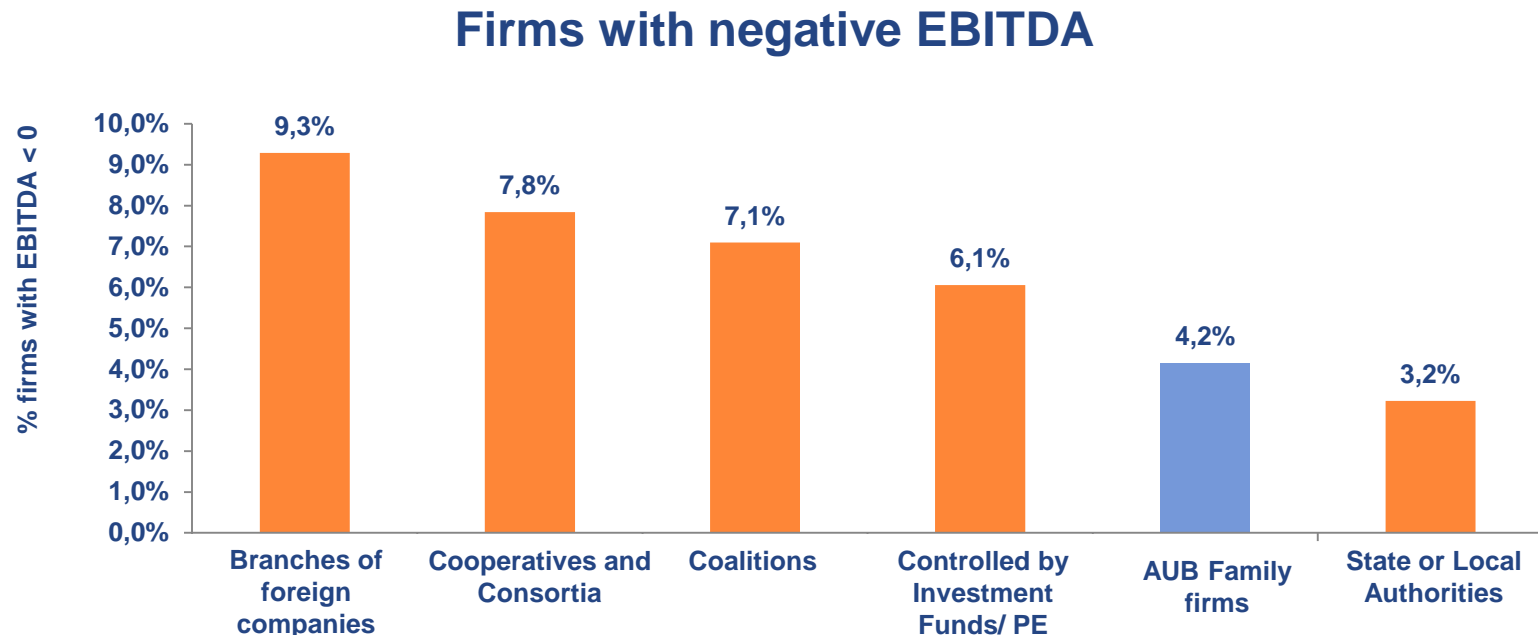
(*) The ratio was calculated for all firms with positive values of NPF and EBITDA (source: Aida). The ratio for non-family firms is a weighted average of the ratios of all firms with a non-family ownership structure.

A lower percentage of family-firms has excess liquidity
(higher than financial debts)



(*) Negative NFP: Cash and cash equivalents > (Payables to banks + Payables to other lenders). (Source: Aida).

State-owned and family firms are those that show negative EBITDA in fewer cases



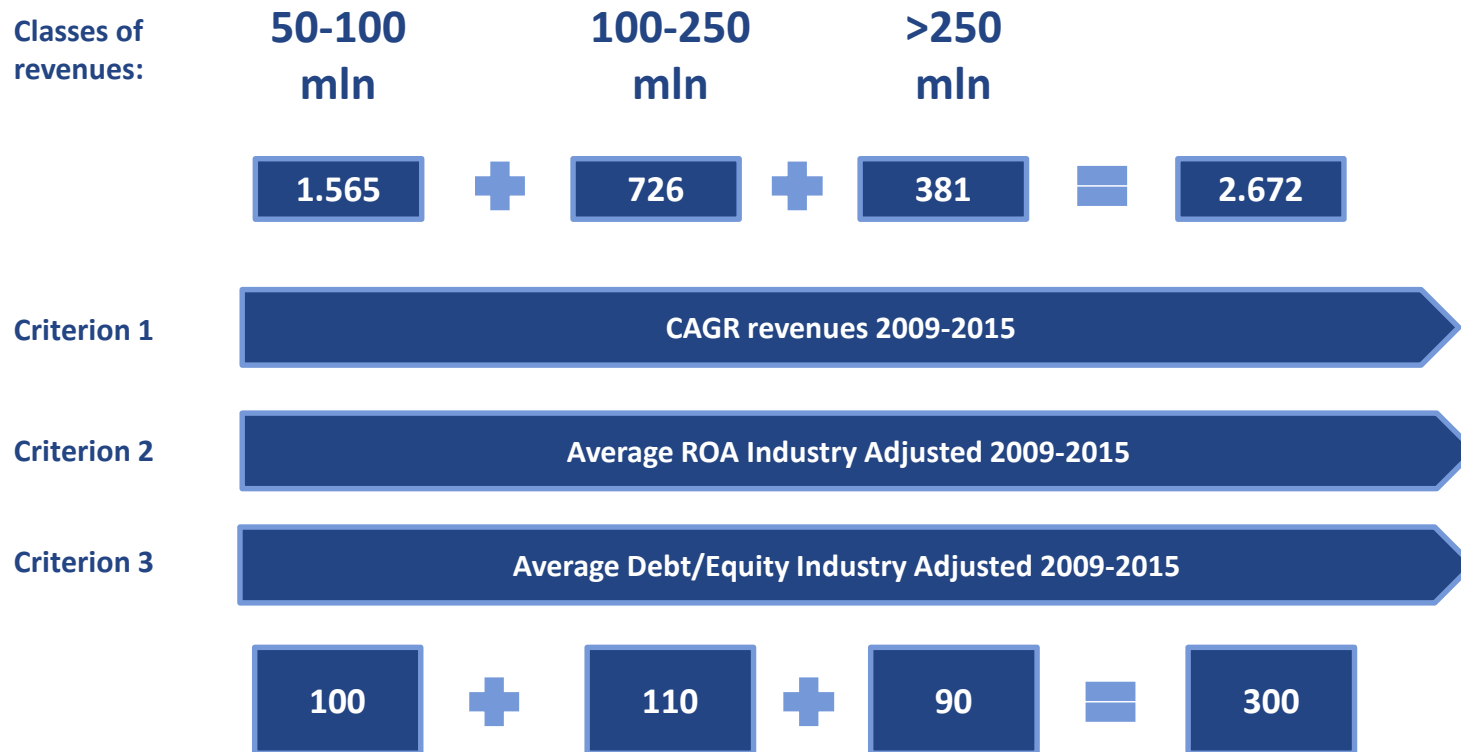
(*) Negative EBITDA: Earnings Before Depreciation and Amortization <0 (Source: Aida).

The 300 *Benchmark* family firms of the AUB Observatory

The selection criteria of 300 Benchmark family firms

Starting from **2.672** family firms of the AUB Observatory with revenues exceeding € 50 million, we selected **300 firms** that show financial performance higher than their industry median within each size class with respect to three indicators*:

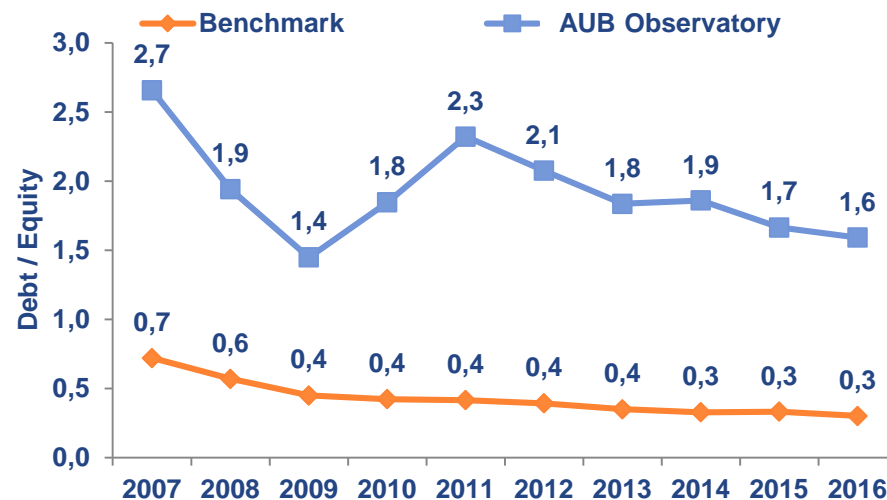
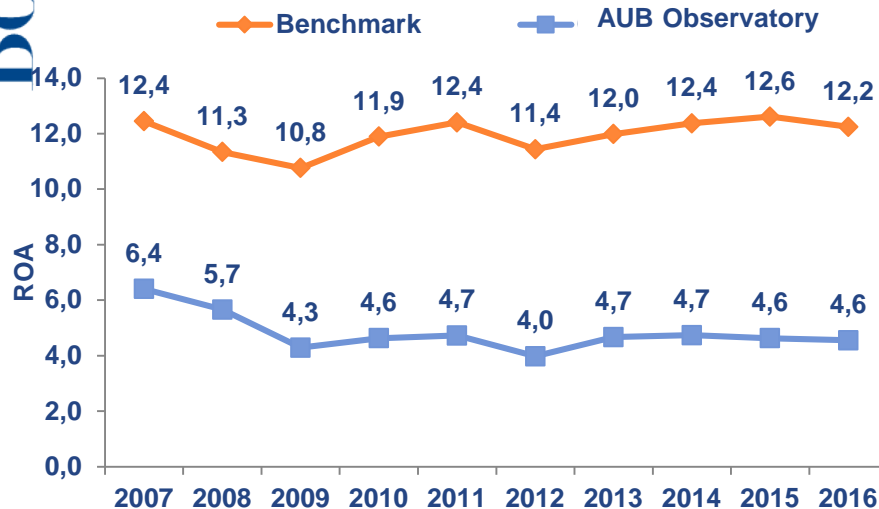
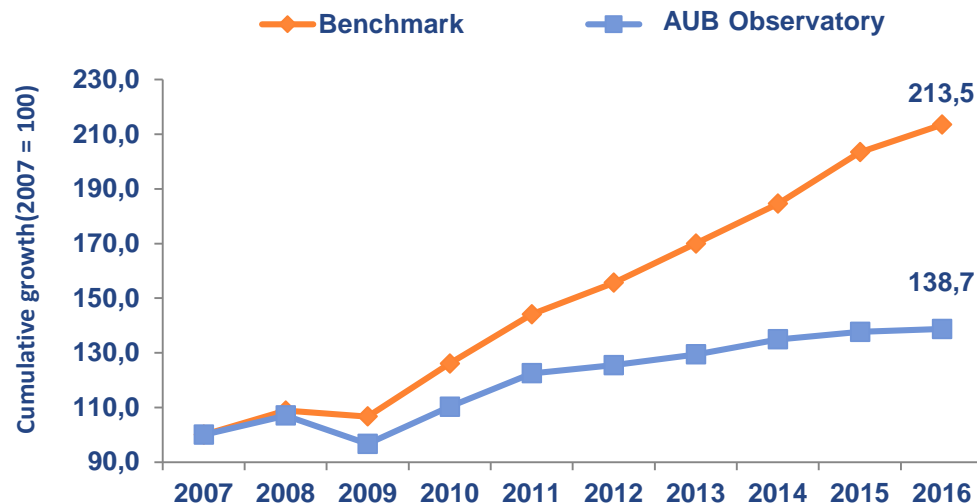
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(*) In each size class, the best companies were selected by calculating the performance differential for each of the 3 indicators compared to the Industry median.

Benchmark family firms compared to the AUB Observatory

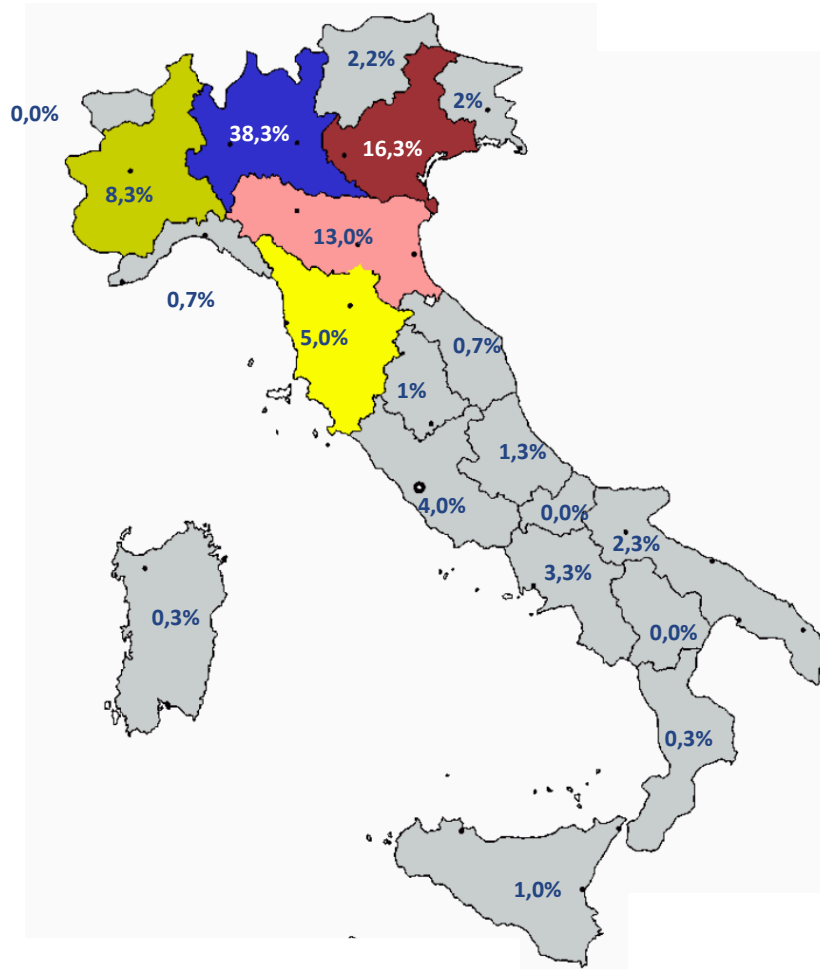
Benchmark companies have **higher performances** than AUB family firms











The distribution of Benchmark family firms by region


The 80% of the Benchmark firms is concentrated in the first 5 regions (+ 10% compared to the national average)

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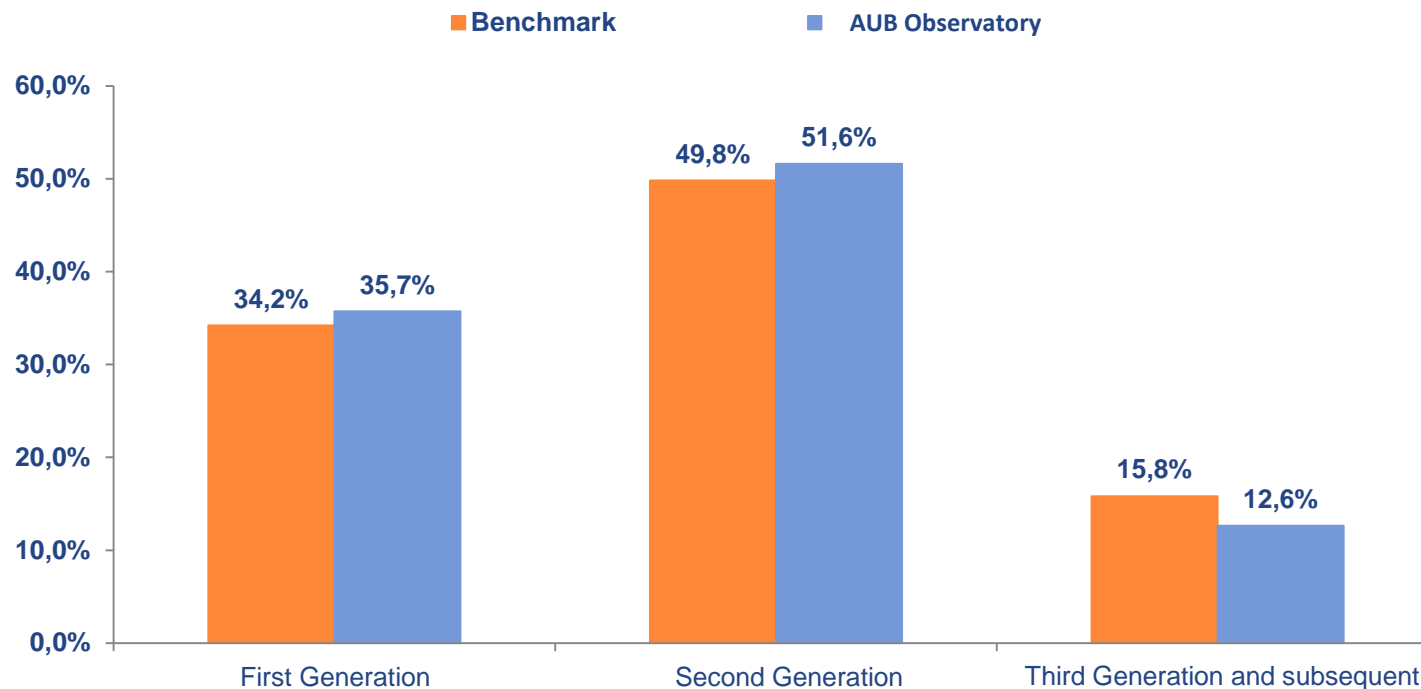


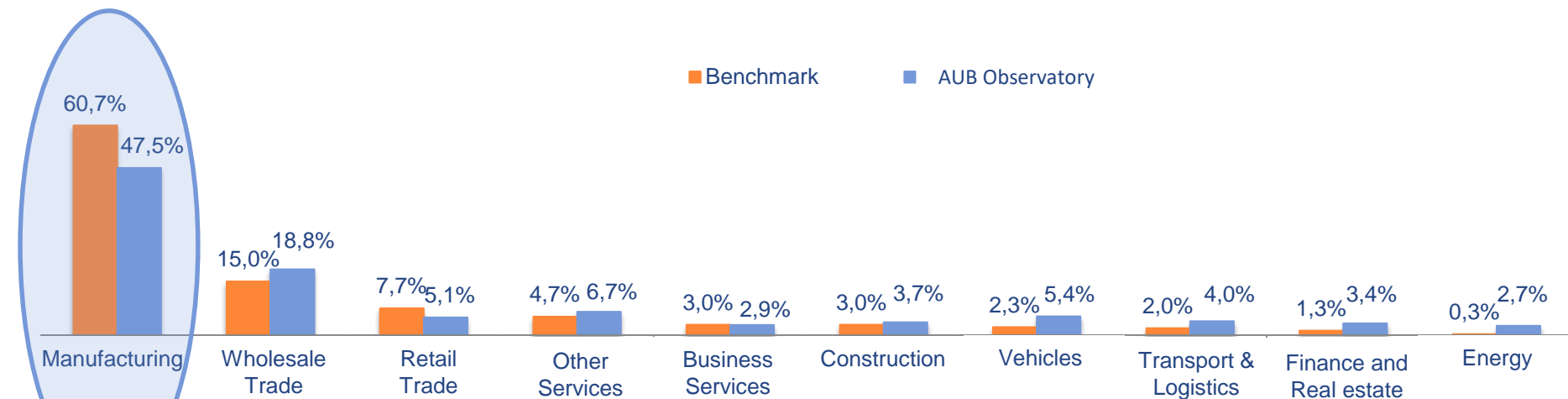
	Benchmark	AUB Observatory
 LOMBARDIA	38,3%	34,4%
 VENETO	16,3%	14,7%
 EMILIA-ROMAGNA	13,0%	11,1%
 PIEMONTE	8,3%	6,9%
 TOSCANA	5,0%	4,3%
 SUD E ISOLE	7,2%	10,0%
 MARCHE E UMBRIA	1,7%	4,0%
 LAZIO	4,0%	7,0%

The top 10 provinces of the Benchmark family firms

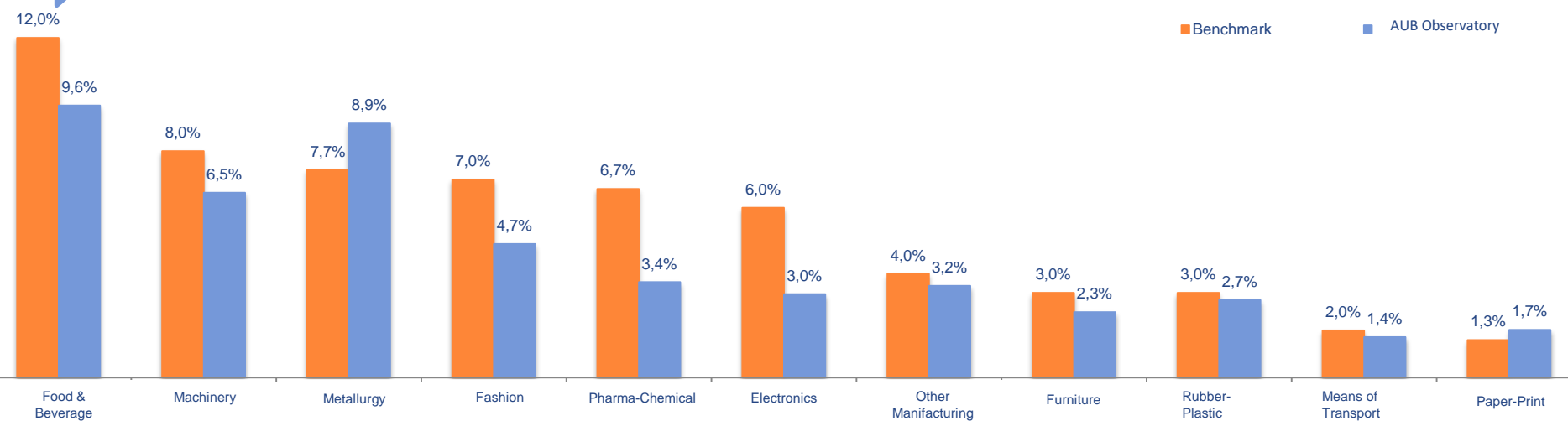
Provinces	Benchmark		AUB Observatory	
	N	%	N	%
 Milano	40	13,3%	358	15,1%
 Brescia	24	8,0%	121	5,1%
 Bologna	16	5,3%	54	2,3%
 Verona	14	4,7%	71	3,0%
 Treviso	13	4,3%	61	2,6%
 Torino	13	4,3%	79	3,3%
 Padova	12	4,0%	60	2,5%
 Roma	12	4,0%	148	6,2%
 Bergamo	11	3,7%	78	3,3%
 Vicenza	9	3,0%	109	4,6%

Many Benchmark family businesses are led by the
second generation, third and subsequent



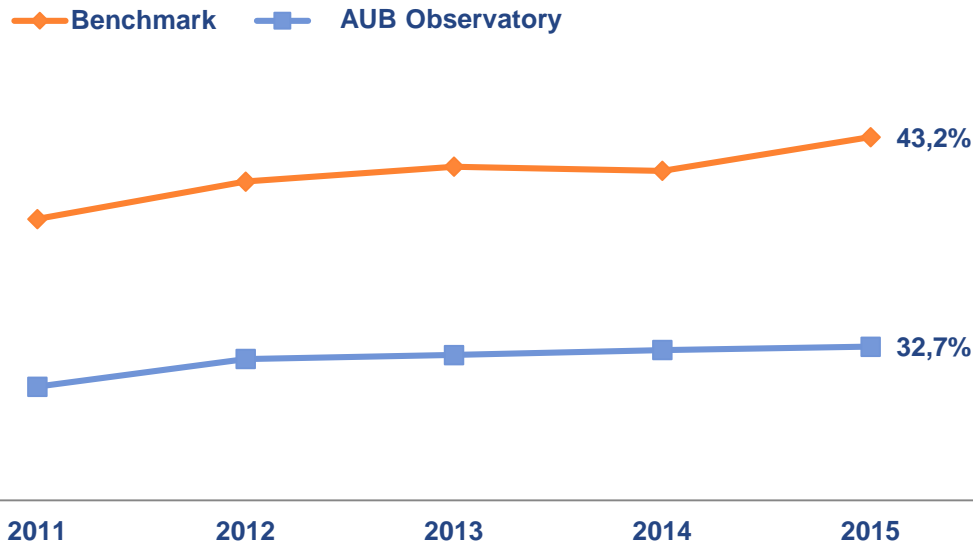
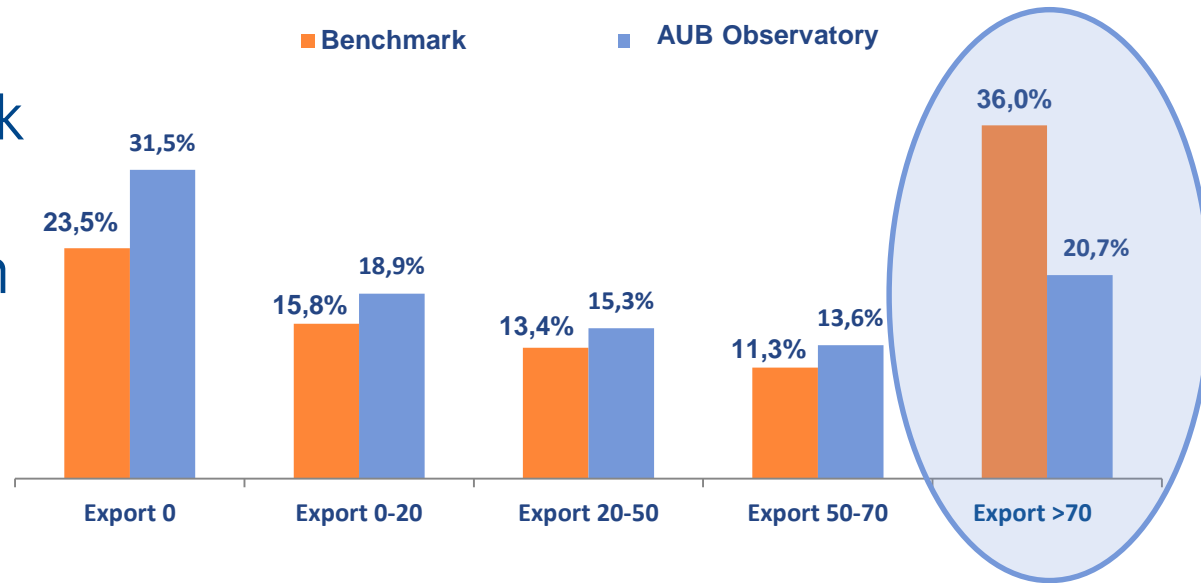


Benchmark family businesses are more common in Food, Machinery, Metallurgy and Fashion industries



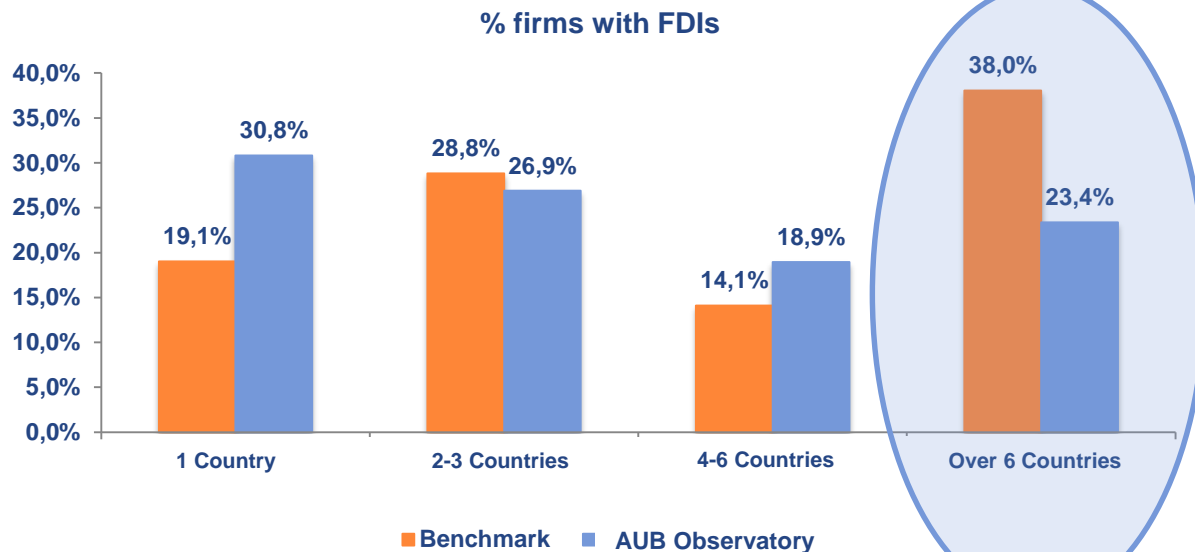
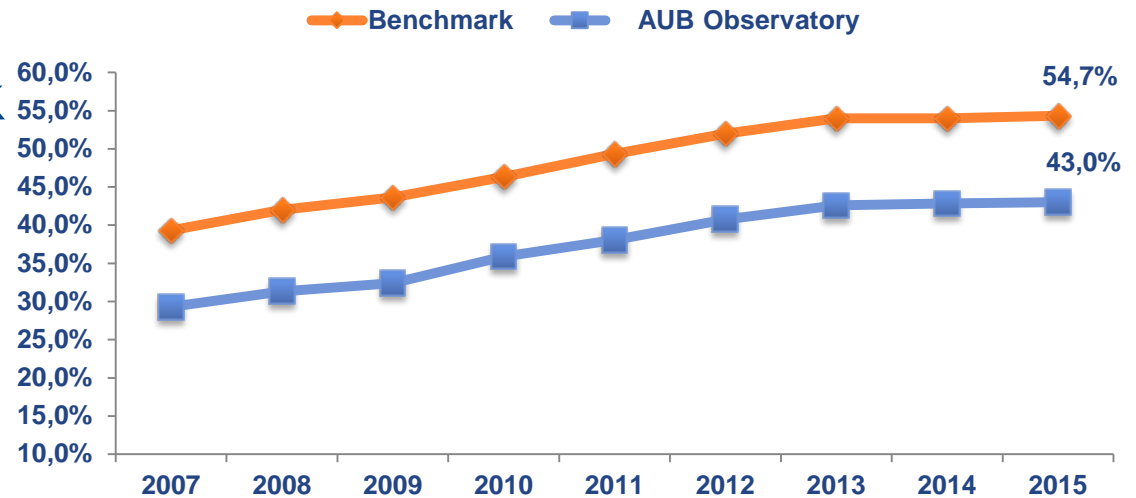
(*) Other manufacturing: i) tobacco; ii) repair, maintenance and installation of Machinery and equipment; iii) manufacture of jewelry, musical instruments, sporting goods, toys and medical supplies. For further information, see the methodological note.

A much higher number of Benchmark firms has become international through exports ...



... and exports / revenues are on average about 10 points higher

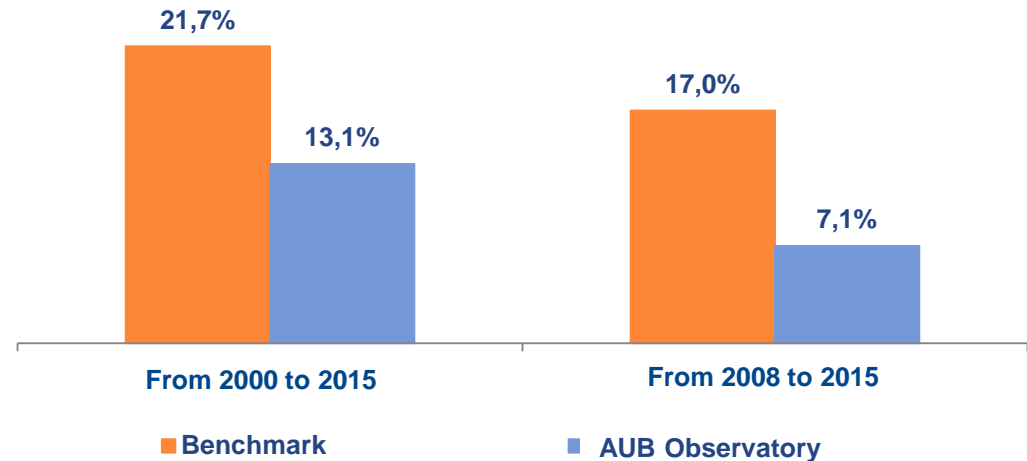
A much higher number of Benchmark firms has become international through FDIs ...



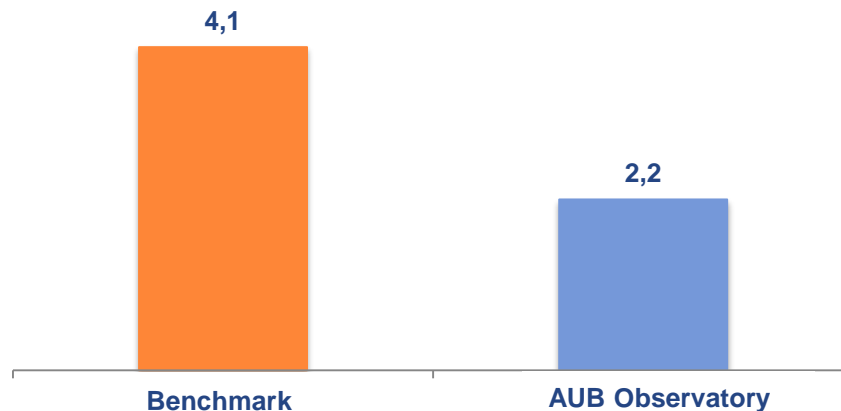
... doing business in a larger number of countries through FDIs

A greater number of Benchmark family firms has undertaken external growth paths ...

% Acquiror firms

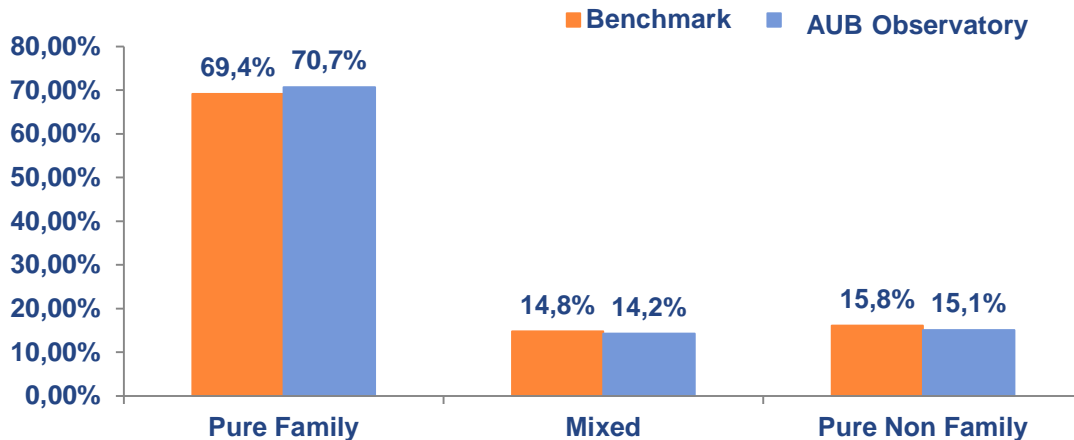
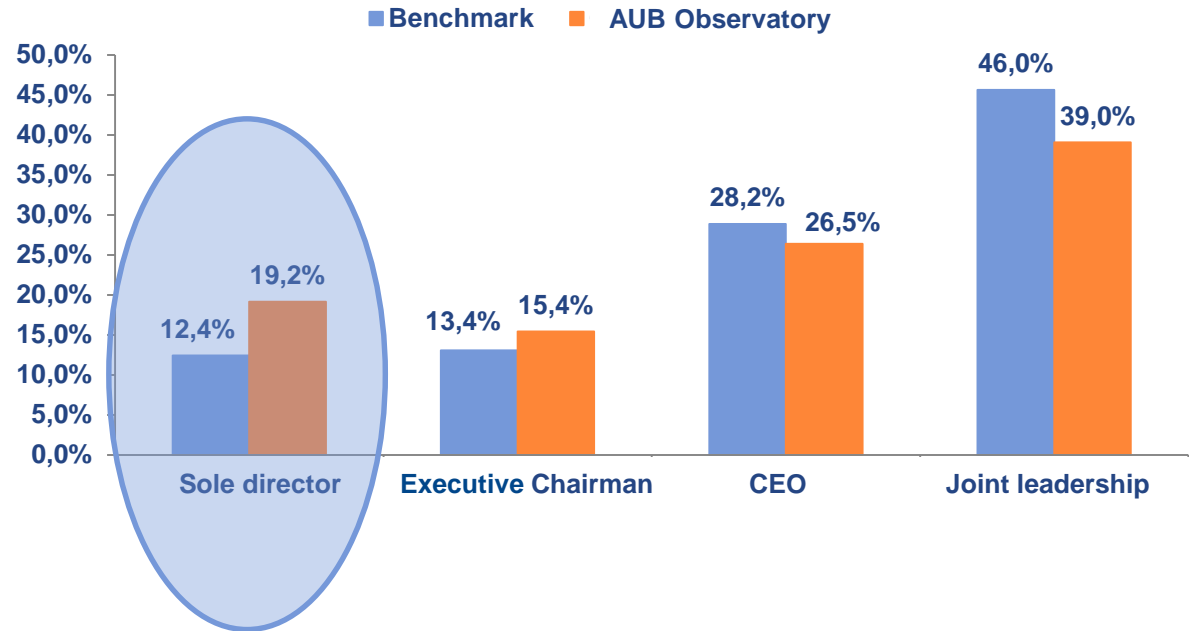


Average number of acquisitions



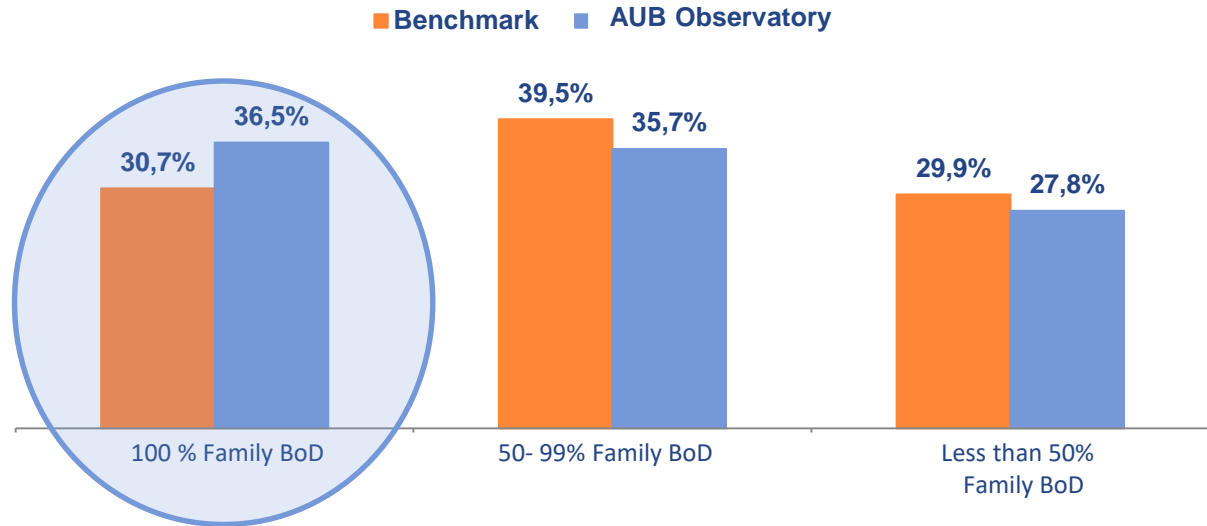
... making a number of acquisitions almost twice the national average

The Benchmark family firms have more structured leadership models ...



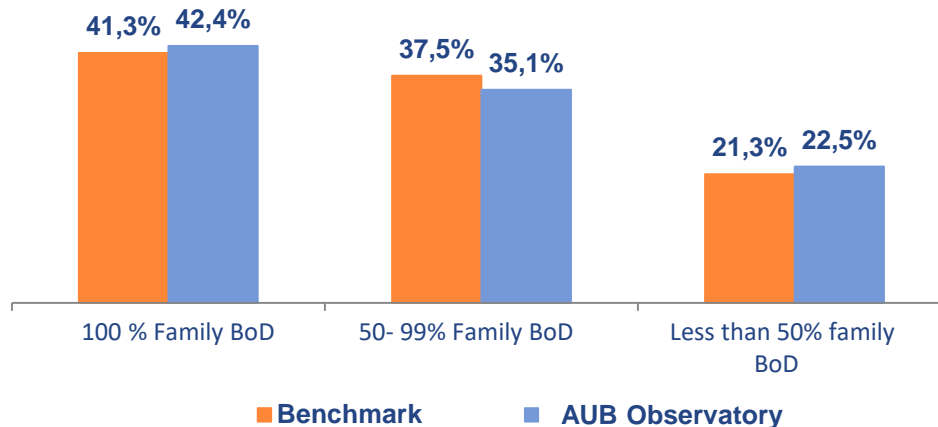
... and in many cases they are driven by family leaders

Boards of the Benchmark firms are slightly open towards non-family members ...

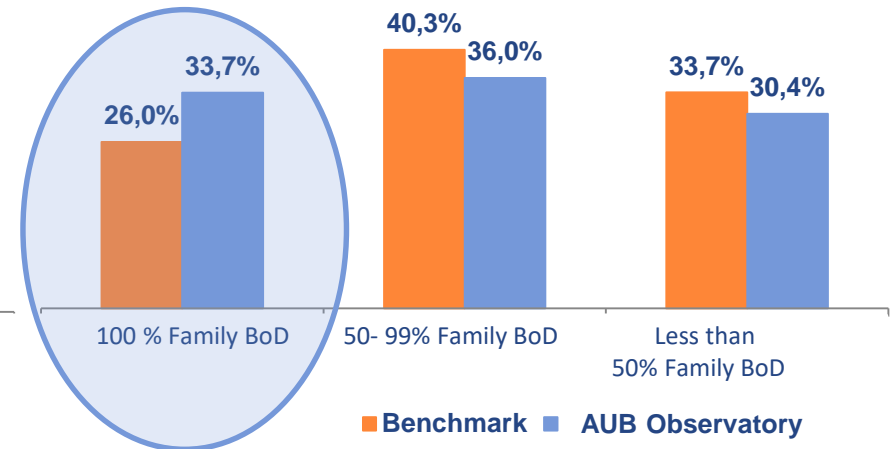


... and important differences emerge in terms of openness between first generation companies vs following generations

First generation



Following generations



Benchmark family firms compared to the AUB Observatory

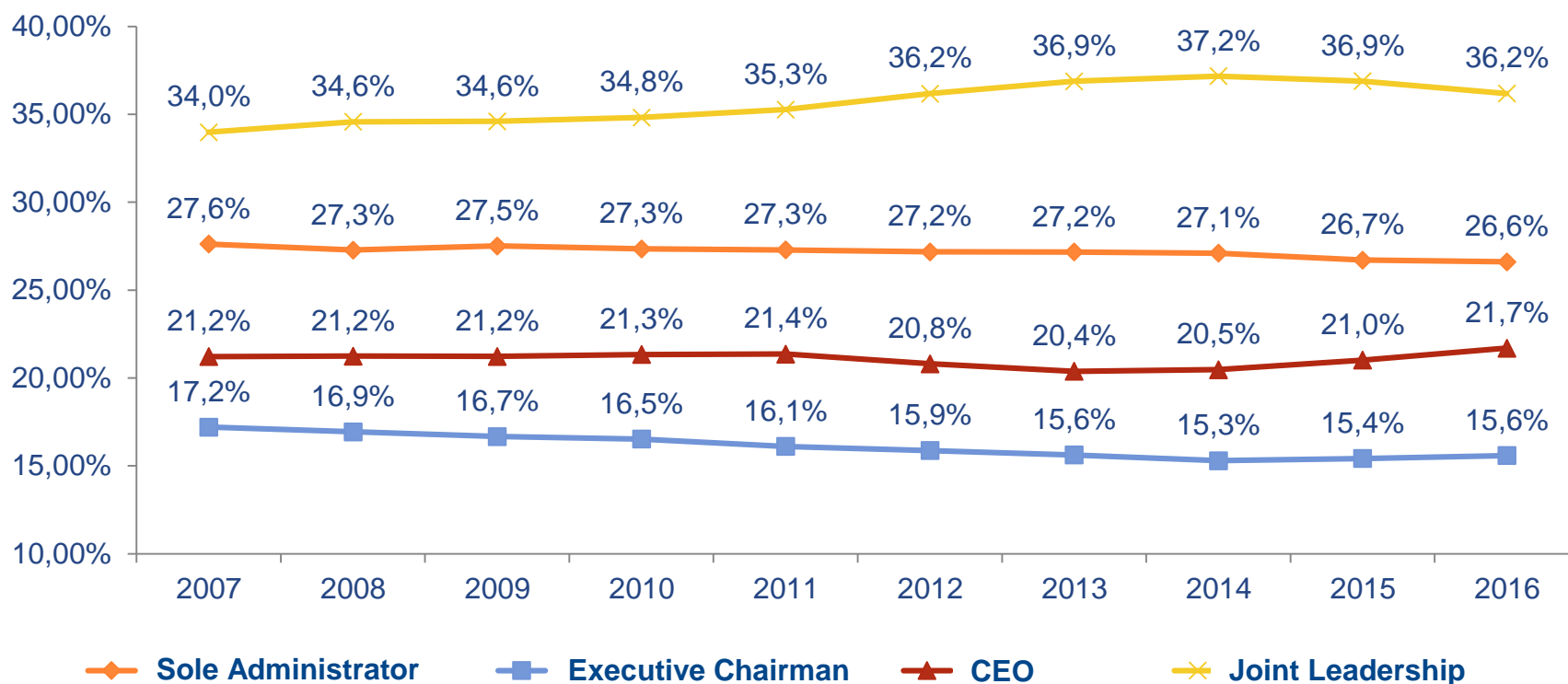
	Benchmark	AUB Observatory
Average age of firms	34,3	32,2
Location		
- North West	47,3%	42,7%
- North East	33,4%	30,5%
- Center, South and Islands	19,3%	26,8%
Manufacturing	60,7%	47,5%
First Generation	34,2%	35,7%
Sole Administrator	12,4%	19,2%
Joint Leadership	46,0%	39,0%
Average number of BoD members	5,1	4,6
% family board members	64,1%	67,2%
Pure family	69,4%	70,7%
Average leader's age	59,6	60,4

The Sole Administrators get better results in smaller companies *

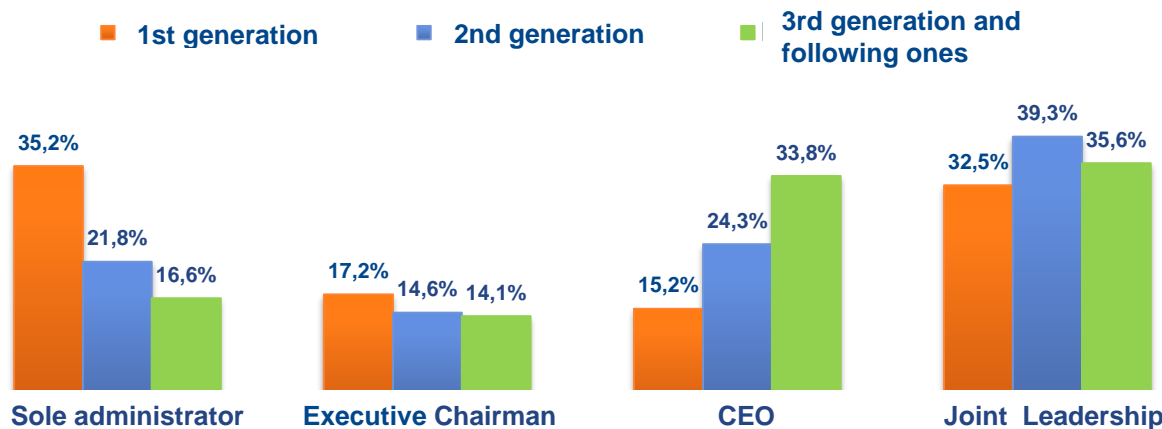
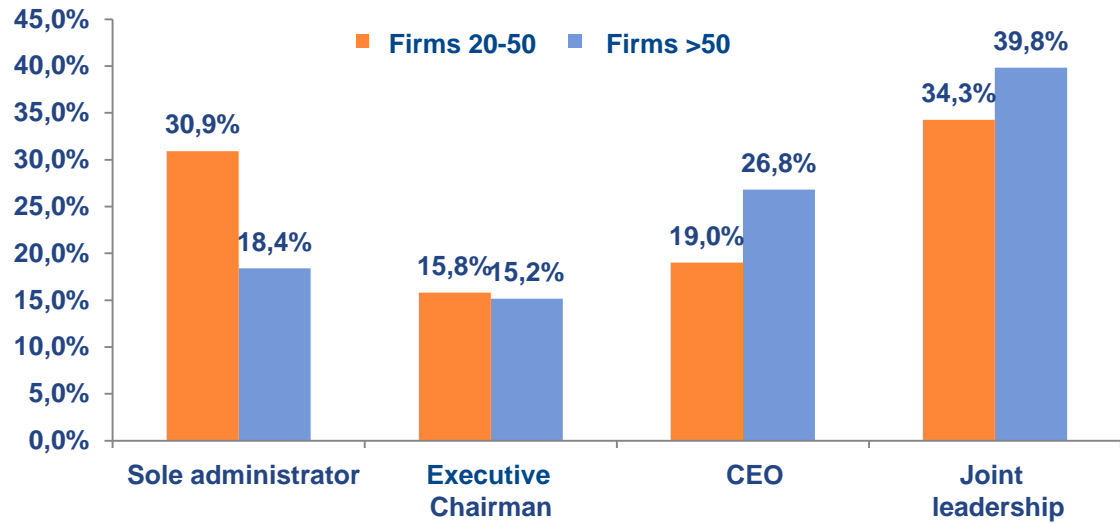
* All data in this section refer to the year 2016 when not specified

The leadership models of family businesses have remained **substantially stable** over the last decade

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The Sole Administrator model is more used in small companies ...



... and in the first generation companies

The income performance of the **Sole Administrator** model is statistically superior in smaller companies

Leadership models 20-50	Δ ROI	Δ ROE	Δ Revenues Growth Rate
Sole Administrator	0,5 ***	1,6 ***	0,7 ***
Executive Chairman	0,0	-0,3	0,0
CEO	-0,5 ***	-1,5 ***	-0,8 ***
Joint Leadership	-0,1	-0,2	-0,1

Leadership models >50	Δ ROI	Δ ROE	Δ Revenues Growth Rate
Sole Administrator	0,2	0,9	1,9 ***
Executive Chairman	0,2	0,4	0,2
CEO	-0,3	-0,3	-0,5 *
Joint Leadership	0,0	-0,5	-0,8 ***

In larger companies, the Sole Administrator model **does not** have a significant impact on profitability

The values indicate that the different forms of leadership have higher (+) or lower (-) performances of "x" points compared to the average of the population with high significance (***) if the p value is <.01, average significance (**) if the p value is <.05, discrete significance (*) if the p value is <.1. Data for the 2007-2016 period were considered for processing (Source: Aida). A regression analysis was performed with the OLS model and the following controls: 1) company age; 2) company 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 company.

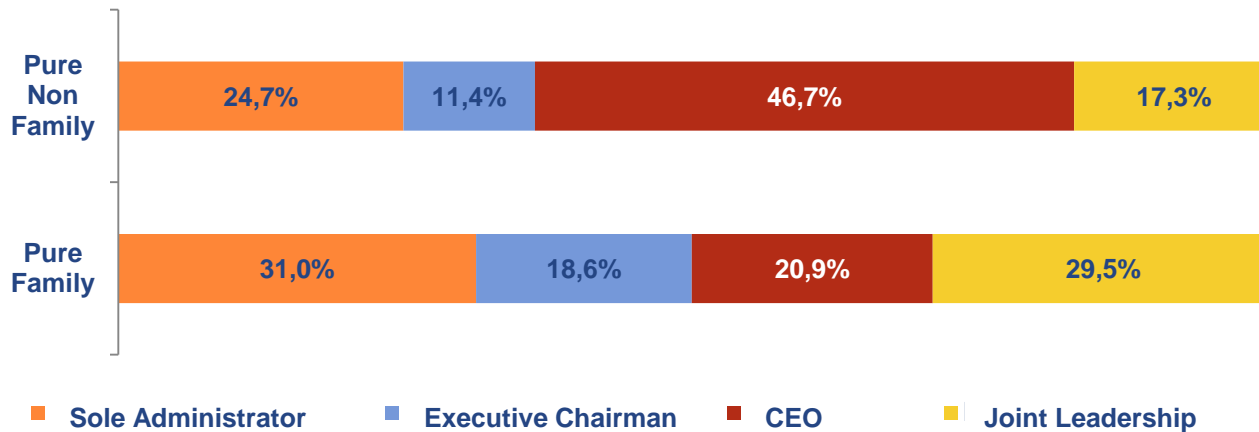
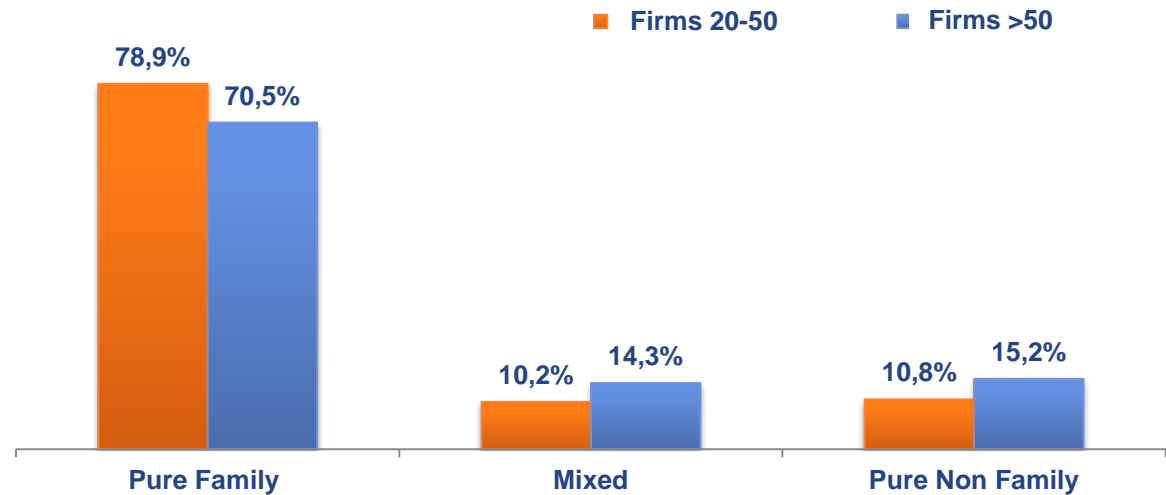
The "Pure family" model
(family leader) performs
better in smaller companies

A scheme based on the familiarity of leadership models

	Model "Pure Family"	Model "Mixed"	Model "Pure Non Family"
Joint Leadership	All CEOs are family members 22,5% of cases	At least one CEO is a family member 11,6% of cases	All CEOs are not family members 2,1% of cases
Individual Leadership*	The leader is a family member 53,6% of cases		The leader is not a family member 10,2% of cases

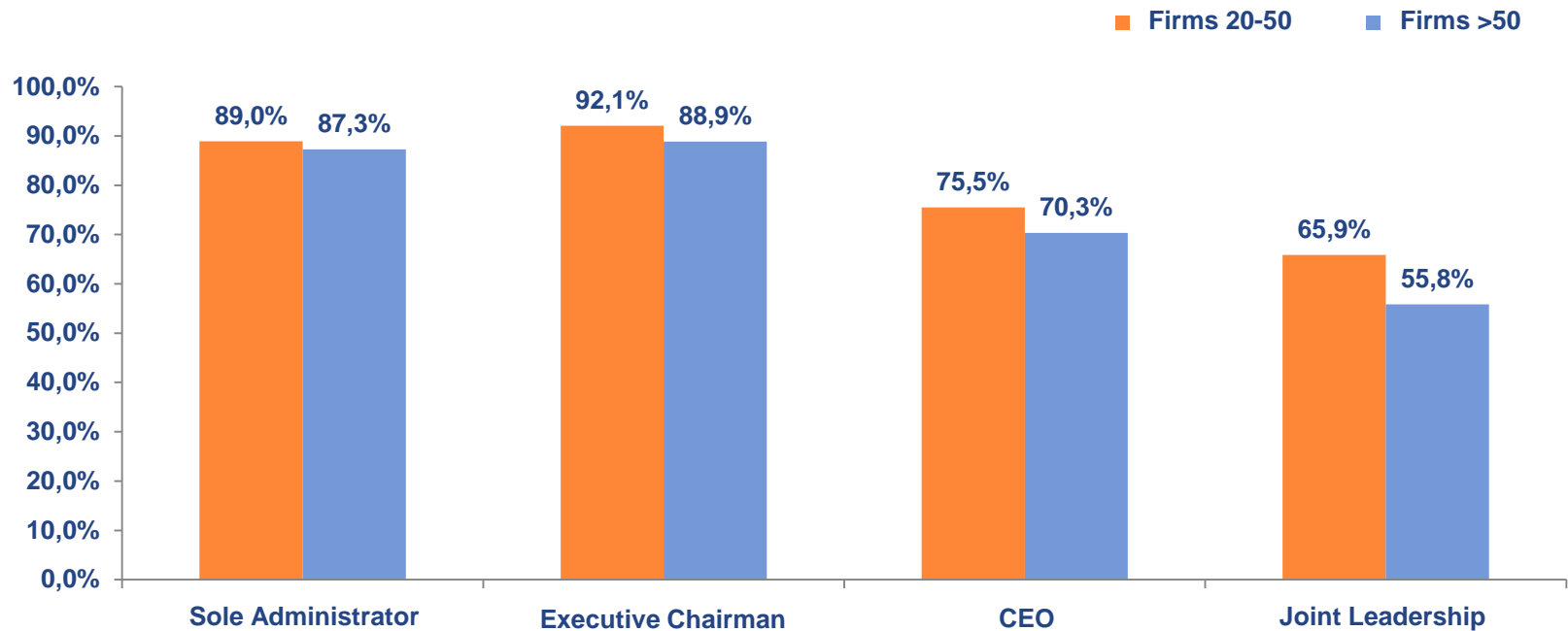
(*) Individual Leadership: Sole Director, Executive Chairman or single CEO.

The "Pure Family" models are the most widespread, not just in smaller companies ...



... and are less oriented towards the single CEO model

The percentage of the "Pure Family" model is higher in the case of Executive Chairman



The "Pure Family" models show statistically superior performance in smaller companies

Leadership model 20-50	▲ ROI	▲ ROE	▲ ROA	▲ Revenues Growth rate
Pure Family	0,7 ***	1,1 **	0,6 ***	0,9 ***
Mixed	-0,3	-0,8	-0,2	-0,7 **
Pure Non Family	-1,0 ***	-1,2 *	-0,9 ***	-1,0 **

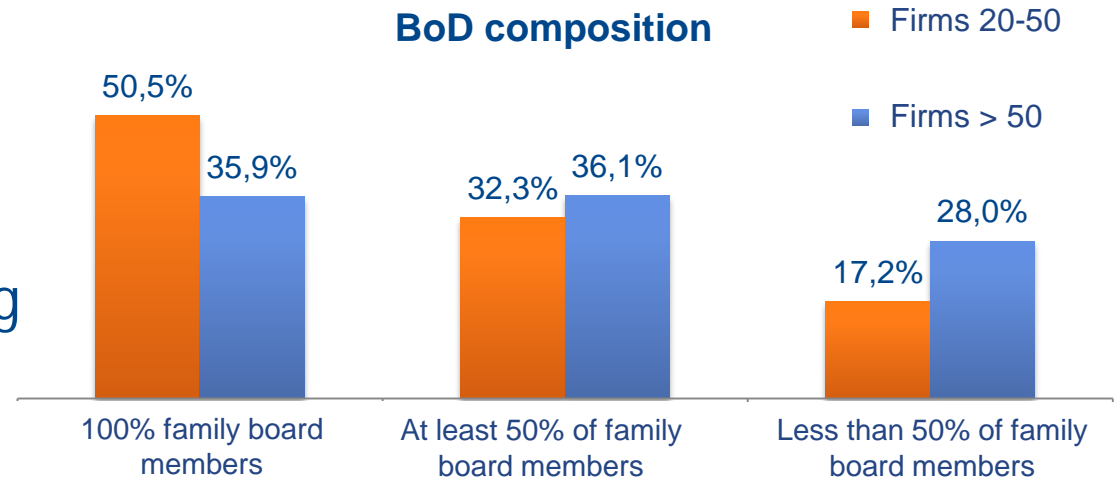
Leadership Model > 50	▲ ROI	▲ ROE	▲ ROA	▲ Revenues Growth rate
Pure Family	0,2	0,6	-0,1	1,0 ***
Mixed	-0,2	-0,4	0,2	-0,5
Pure Non Family	-0,2	-0,6	-0,1	-1,3 ***

In larger companies, the performance of family leaders is in line with those of non-family managers

The values indicate that the different forms of leadership have higher (+) or lower (-) performances of "x" points compared to the average of the population with high significance (***) if the p value is <.01, average significance (**) if the p value is <.05, discrete significance (*) if the p value is <.1. Data concerning the period were considered for processing (Source: Aida). A regression analysis was performed with the OLS model and the following controls: 1) company age; 2) company 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 company.

The presence of family members in the Board

About 2 companies out of 3 of the larger ones have at least one non-family member (and 1 company out of 2 among the smaller ones)



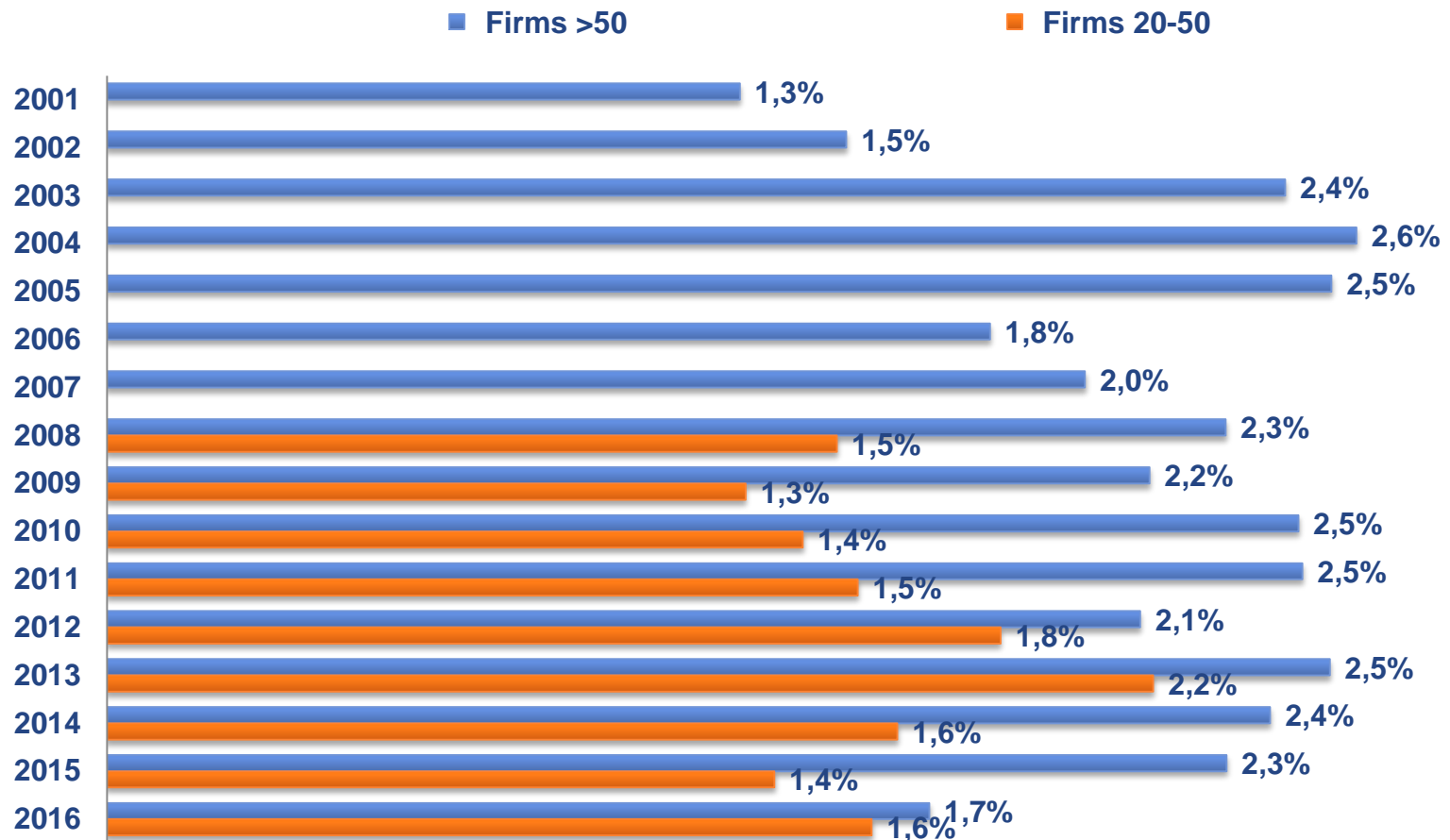
A "closed" Board shows statistically **superior performance in smaller companies**, while in larger companies performance is in line with Boards of Directors opened to non-family members

Leadership model 20-50	▲ ROI	▲ ROE	▲ Revenues Growth Rate
Pure family BoD	0,9 ***	1,5 ***	0,7 ***
Family Board ratio	1,8 ***	2,9 ***	1,5 ***

Leadership model > 50	▲ ROI	▲ ROE	▲ Revenues Growth Rate
Pure family BoD	0,3	0,5	0,7 ***
Family Board ratio	0,6	1,2	1,7 ***

The number of non-family
leaders also increases in
smaller companies

About 2.3% of medium and large family businesses (and 1.6% of small ones) have been subject to a generational change every year



In the last decade there has been a progressive aging of company leaders: about **1 leader out of 4 is now over 70 years old ...**

	20-50		> 50		Total	
	2007	2016	2007	2016	2007	2016
Less than 50 years	35,9%	21,9%	30,5%	20,2%	34,0%	21,3%
50- 60 years old	25,7%	29,6%	25,2%	29,8%	25,5%	29,7%
60-70 years old	24,6%	24,4%	27,5%	25,2%	25,6%	24,6%
More than 70 years	13,8%	24,1%	16,8%	24,8%	14,9%	24,4%

... and they show statistically lower performances

Age	▲ ROE		▲ ROA		▲ Revenues Growth Rate	
	20-50	>50	20-50	>50	20-50	>50
Less than 50 years	0,7 *	1,4 ***	0,1	0,3 *	1,8 ***	1,7 ***
More than 70 years	-1,2 ***	-0,6 *	-0,4 **	0,2	-0,9 ***	-0,9 ***

The values indicate that the different age classes have higher (+) or lower (-) performances of "x" points than the average of the population with high significance (***) if the p value is <.01, average significance (**) if the p value is <.05, discrete significance (*) if the p value is <.1. For the processing, data for the period 2004-2015 were considered for companies > € 50 million and 2007-2015 for companies between € 20-50 million (Source: Aida). A regression analysis was performed with the OLS model and the following controls: 1) company age; 2) company 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 company.

From 2007 to 2016, about 2.0% of family businesses every year have been subject of a generational change

It can be assumed that in Italy the family businesses with more than 1 million revenues are subject to about *

3,360 generational
changes per year

$(205.000 \times 82\% \times 2\%)^{**}$

(*) In Italy there are about 205,000 companies with turnover of more than 1 million euros (Source: Aida 11/11/2017)

(**) Family businesses are on average 82% in Italy (Source: Bank of Italy)

In the last two years even the smallest companies have increased the involvement of non-family managers

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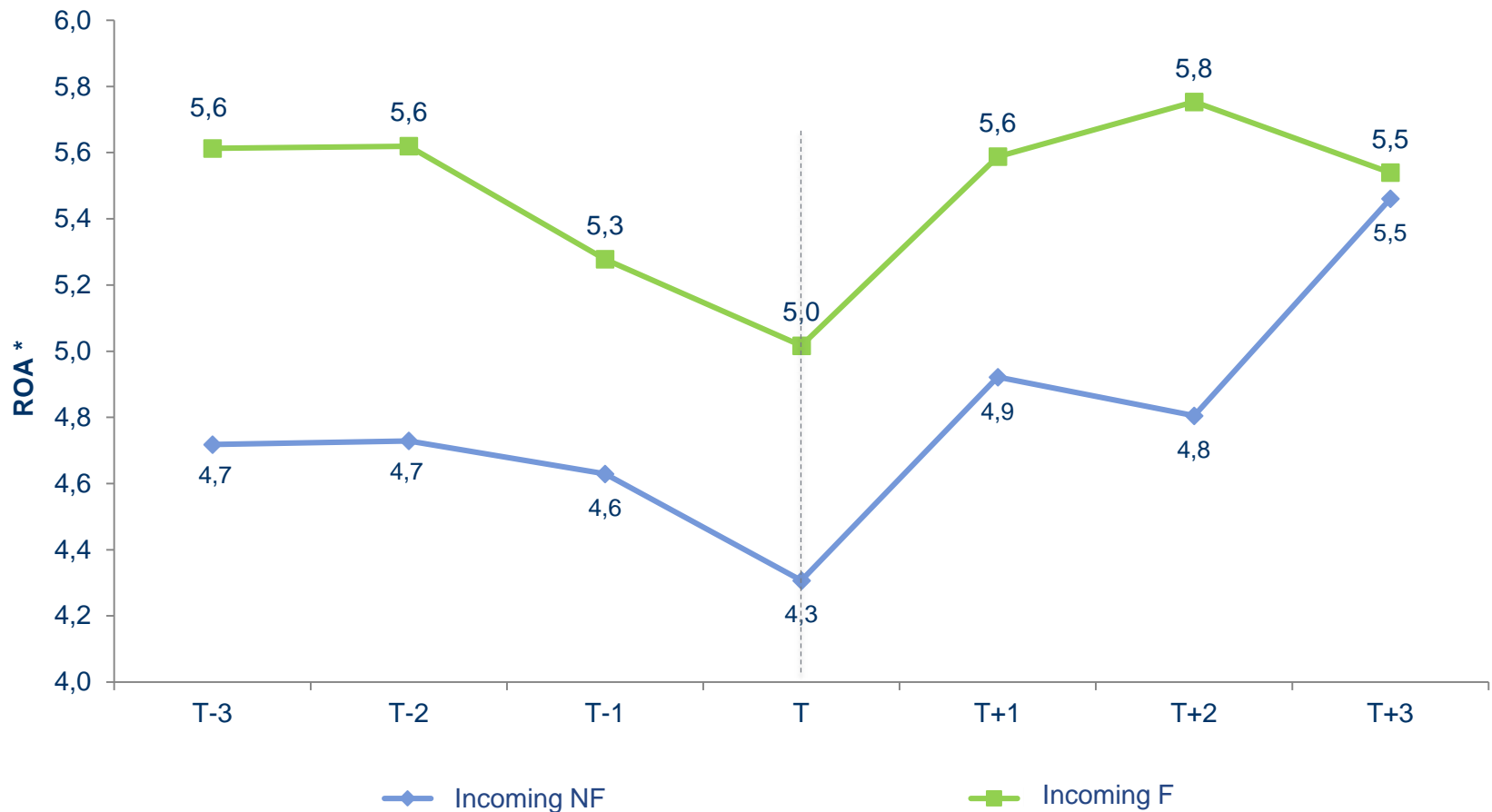
	Family AUB firms 20-50			Family AUB firms >50		
Year	F OUTGOING	F INGOING	F BALANCE	F OUTGOING	F INGOING	F BALANCE
2008	80	89	9	55	52	-3
2009	68	82	14	48	45	-3
2010	72	89	17	44	41	-3
2011	93	107	14	59	51	-8
2012	93	106	13	49	37	-12
2013	135	130	-5	62	59	-3
2014	119	123	4	90	70	-20
2015	129	103	-26	56	48	-8
2016	124	91	-33	70	52	-18

(*) The data refer to the four models of leadership analyzed: Sole Director, Executive Chairman, CEO and Joint Leadership.

Succession as a reaction to "disappointing" performance

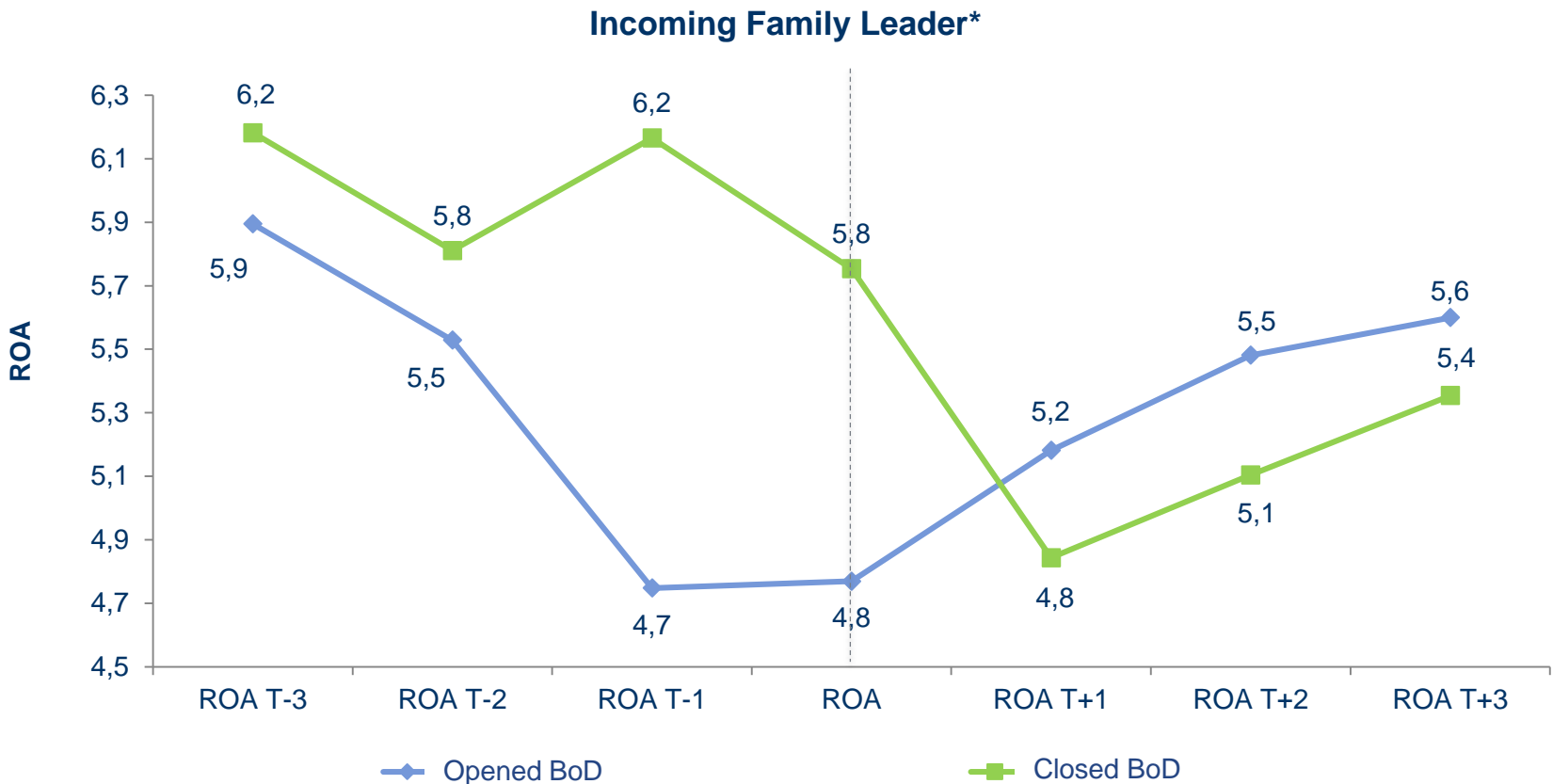
Non-family managers have a positive impact on firm performance after the year of succession

Bocconi



(*) N: successions at the Top level occurred between 2003 and 2013. By checking the results for the Industry average / year of the population of companies of the AUB Observatory, the results are unchanged.

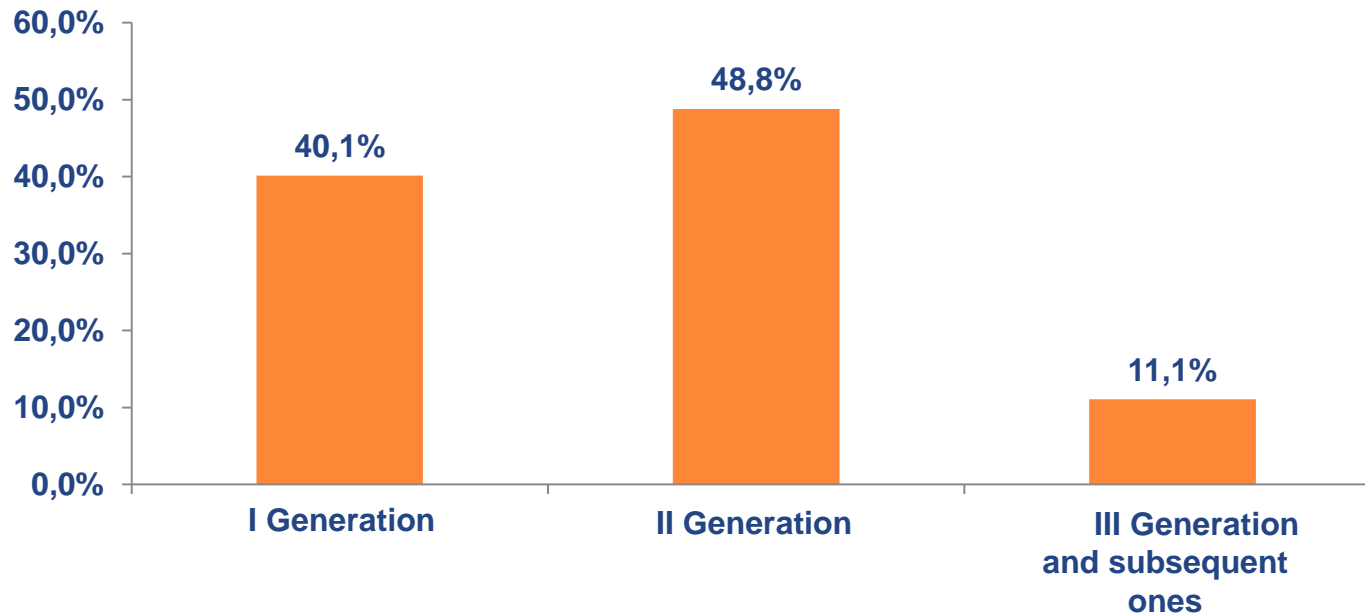
In case of family incoming leader, a Board of Directors opened to non-family members produces better results



(*) Successions at the Top level that took place between 2003 and 2011, excluding companies with a Sole Administrator. By checking for the Industry average / year of the population of companies of the AUB Observatory the results are unchanged.

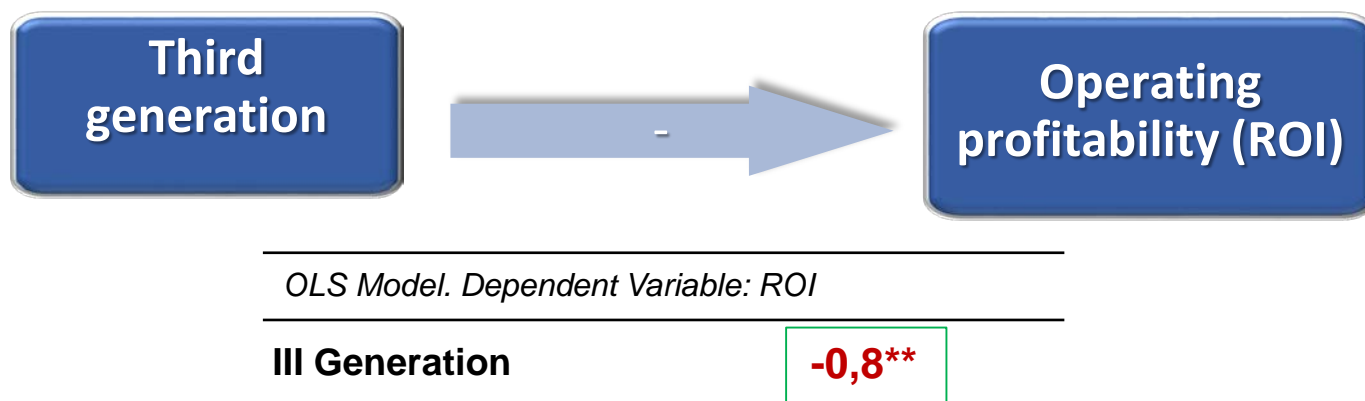
The negative "myth" of the third generation is true, but it can be mitigated

Almost half of the family businesses of the AUB Observatory are in second generation, and more than 10% have passed the second generation *



(*) This percentage does not include companies that are merged, absorbed and / or reborn in other business activities.

Third-generation companies show statistically lower performance than previous generations

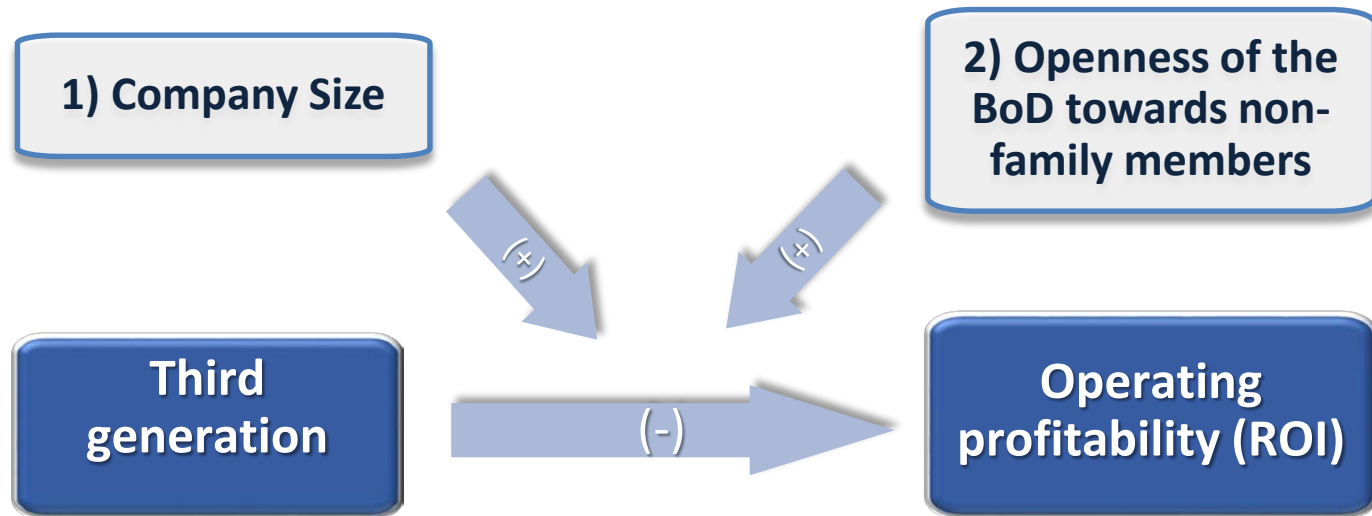


This result could be due to a combination of factors, including:

- Difficulties in passing on the "entrepreneurial vis" to the following generations
- Difficulties in managing a larger number of family shareholders
- Traditional business life cycle

*The values indicate that the third generation has higher (+) or lower (-) performances of "x" points compared to the average of the population with high significance (***) if the p value is <.01, average significance (**) if the p value is <.05, discrete significance (*) if the p value is <.1. Data for the 2007-2015 period were considered for processing (Source: Aida). A regression analysis was performed with the OLS model and the following controls: 1) company age; 2) company 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 company); 6) debt (debt / equity ratio); 7) listing on a regulated market*

The negative impact of the **third generation** is mitigated by two factors:



Modello OLS. Variabile dipendente: ROI

III Generation	-1,3***
Firms > 50 mln	-0,6***
III Generation* Firms > 50 mln	+1,4**

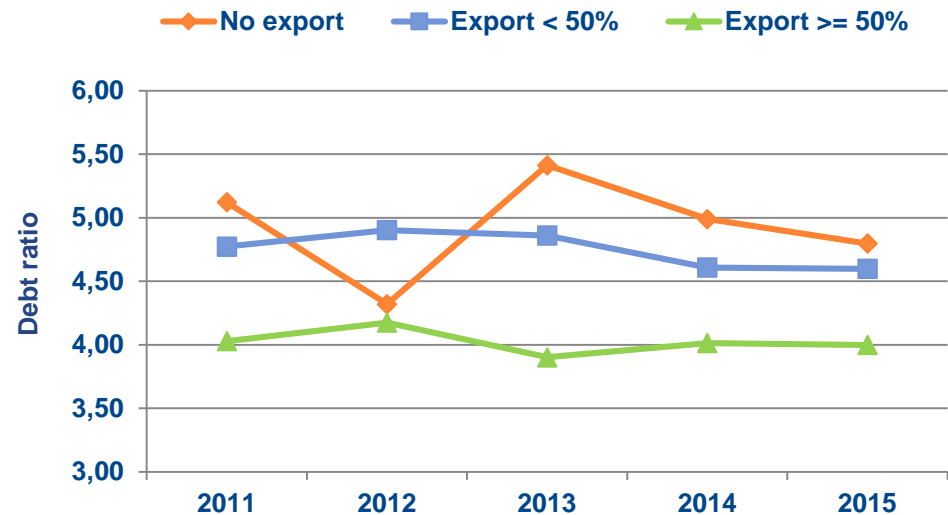
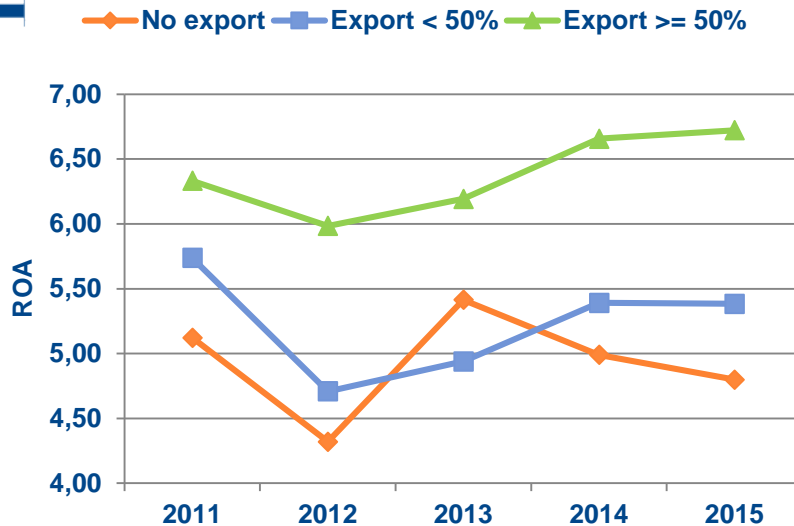
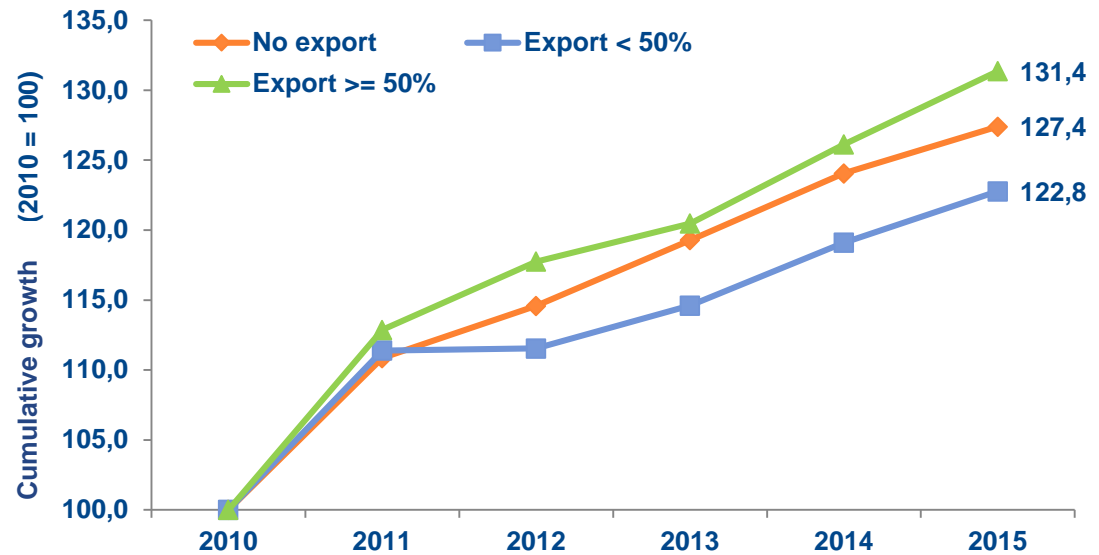
III Generation	-1,0***
% Non-family members	-2,2***
III Gen * % Non-family members	+2,3**

Values indicate higher (+) or lower (-) performance of "x" points than the high-mean population average (*** or **) if the p value is <.01, mean significance (** or *) if the p value is <.05, discrete significance (* or *) if the p value is <.1). Data for the 2007-2015 period were considered for processing (Source: Aida). A regression analysis was performed with the OLS model and the following controls: 1) company age; 2) company 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 company); 6) debt (debt / equity ratio); 7) listing on a regulated market.

Internationalization through export *

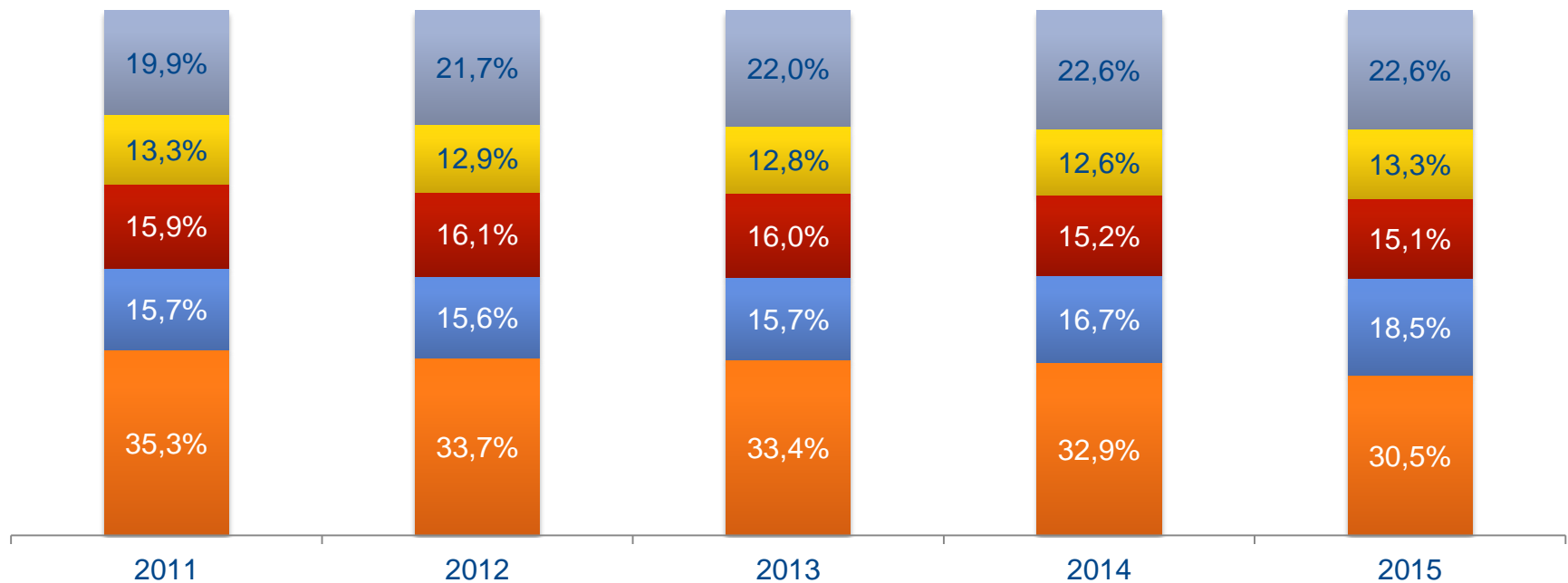
* The data refer only to companies with revenues > € 50 million

Firms that export **more than 50%** of their revenues are the **most performing** ones in the period 2010-2015 in terms of growth, profitability and debt



In the last five years there has been a **progressive increase** in the number of companies that make exports, from 64.7% in 2011 to 69.5% in 2015

■ Export zero ■ Export 0-20 ■ Export 20-50 ■ Export 50-70 ■ Export oltre 70

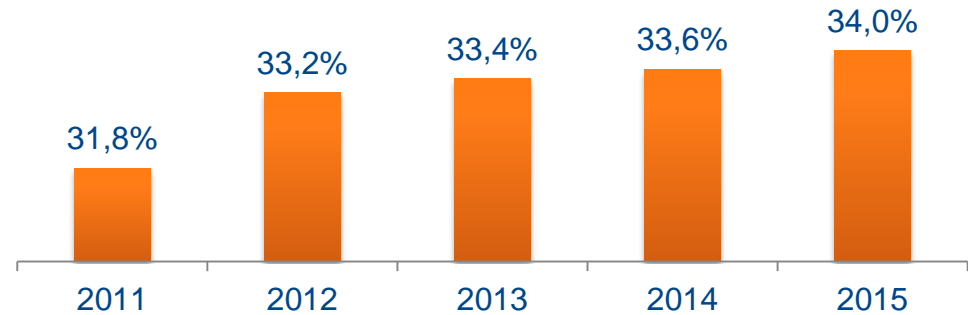


(*) N: 2,055 companies (out of 2,672 total companies with turnover exceeding 50 million euros). The remaining companies do not declare the geographical distribution of sales in the explanatory notes or state that the distribution is not relevant.

The sales achieved abroad by exporting companies

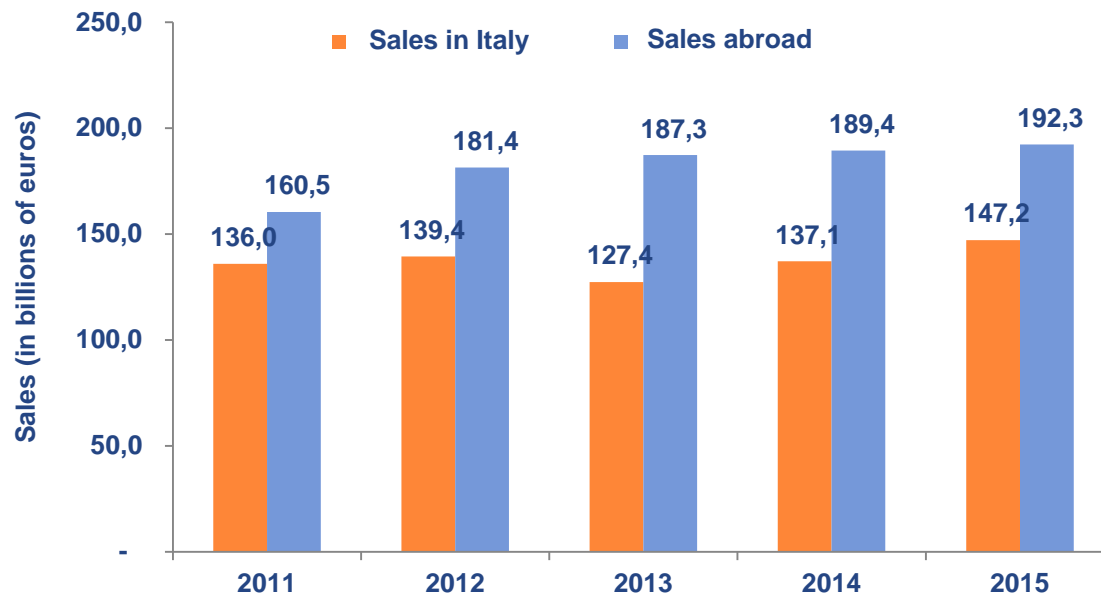
The average percentage of exports **has increased over the last 5 years**, from 31.8% in 2011 to 34.0% in 2015

Average Export



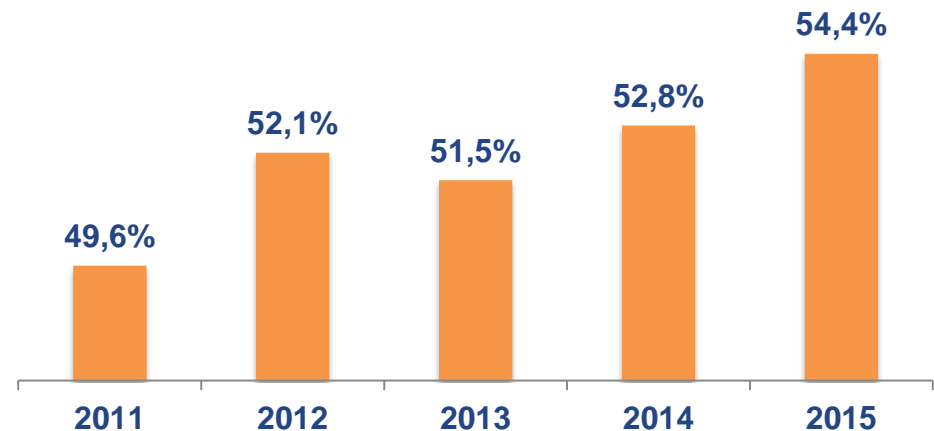
Among the exporting companies, the **sales achieved abroad increased by 20%** (from 160.5 to 192.3 billion), while the turnover achieved in Italy by 8.2%

Bocconi



Firms that export outside European borders have gone from 49.6% in 2011 to 54.4% in 2015 *

% firms with export outside of Europe



The percentage of exports outside the European borders is, on average, 14.2% in 2015, and this percentage is positively correlated to the profitability

OLS Model. Dependent Variable: ROI

% export out of Europe

+ 3,3 ***

Company size

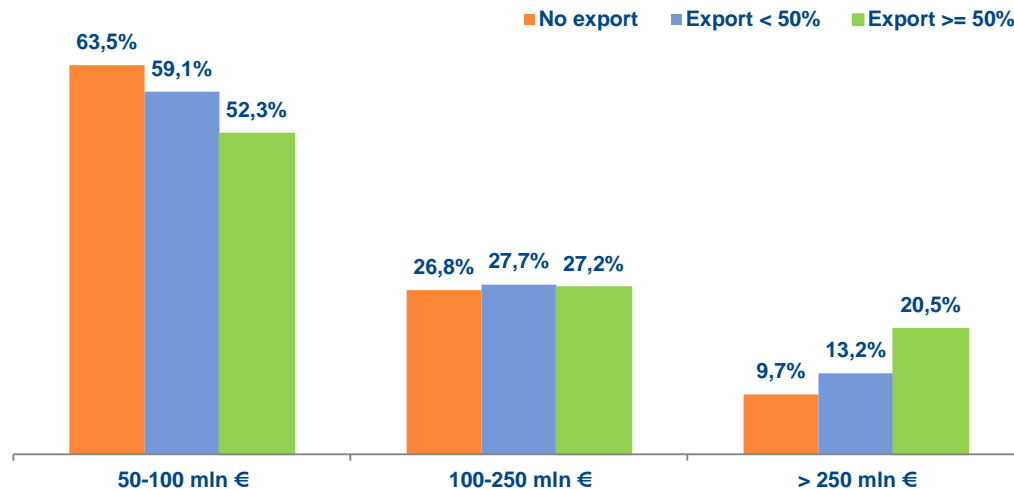
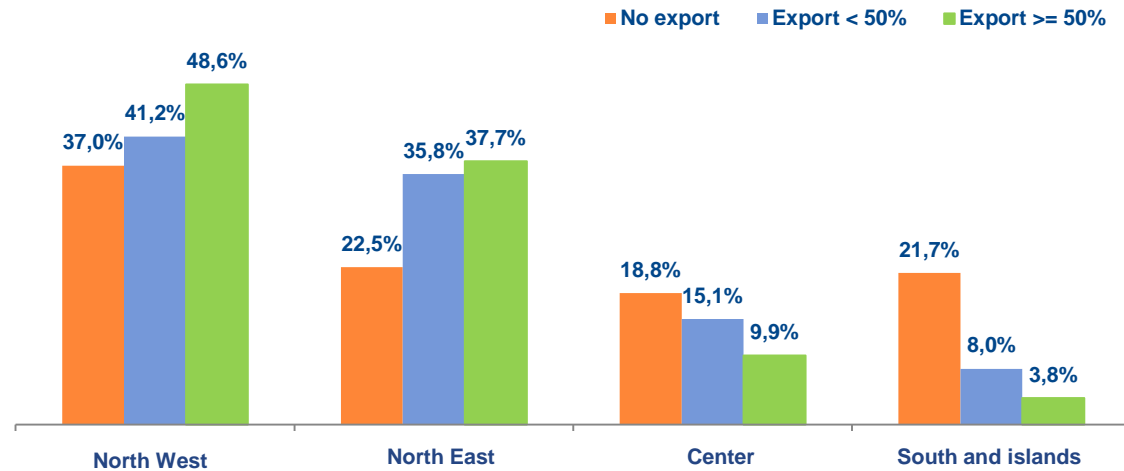
-0,7 ***

Firm Age

-0,4 *

High significance (***) if the p value is <.01, average significance (**) if the p value is <.05, discrete significance (*) if the p value is <.1. Data for the period 2011-2015 were considered for processing (Source: Aida). A regression analysis was performed with the OLS model and the following controls: 1) company age; 2) company size; 3) year (firm year dummies); 4) Industry (firm year industry) considering the first 2 digits of the Ateco 2007 code; 5) indebtedness (Net Asset / Net Asset); 6) company liquidity; 7) size of the Board; 8) age of the company leader.

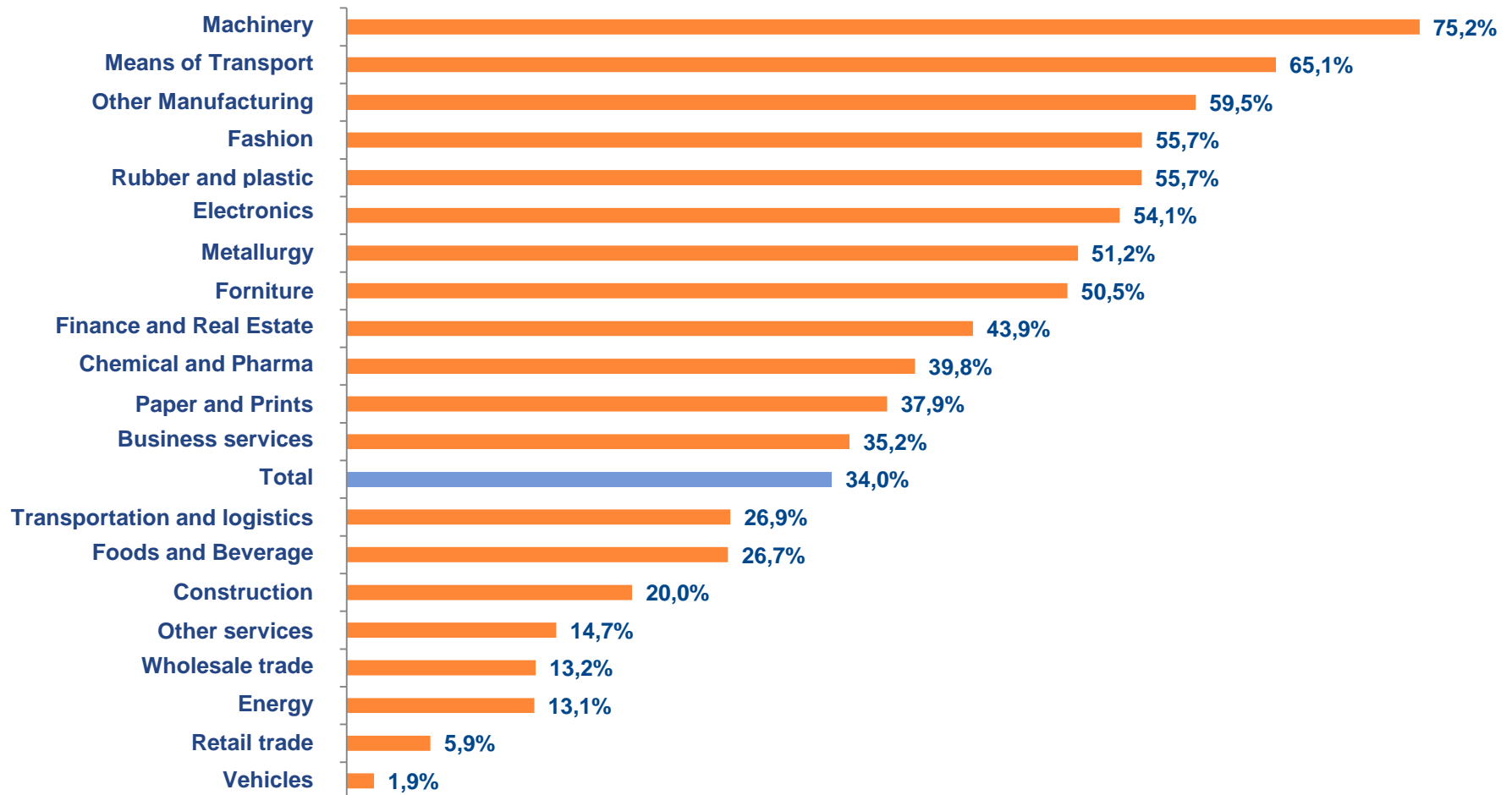
The propensity to export is higher in the regions of Northern Italy



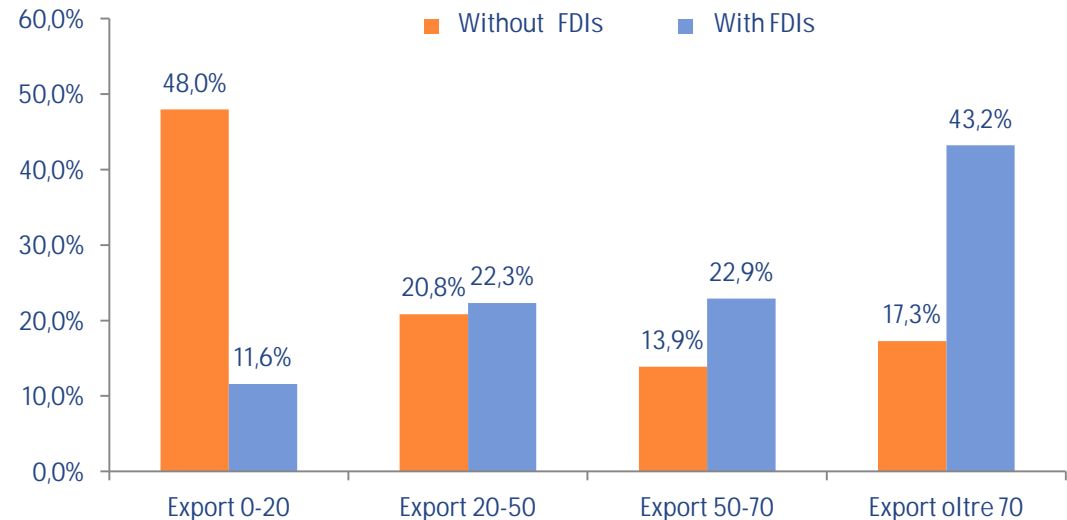
The propensity to export is directly related to the company size

The **machinery** shows the **greatest export propensity**

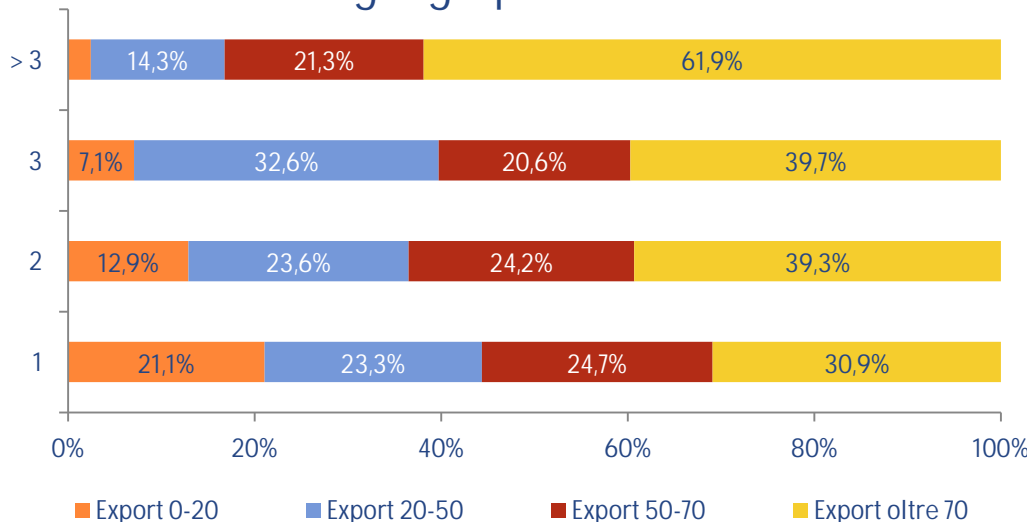
% export average



There is a direct relationship between the propensity to export and direct investments abroad



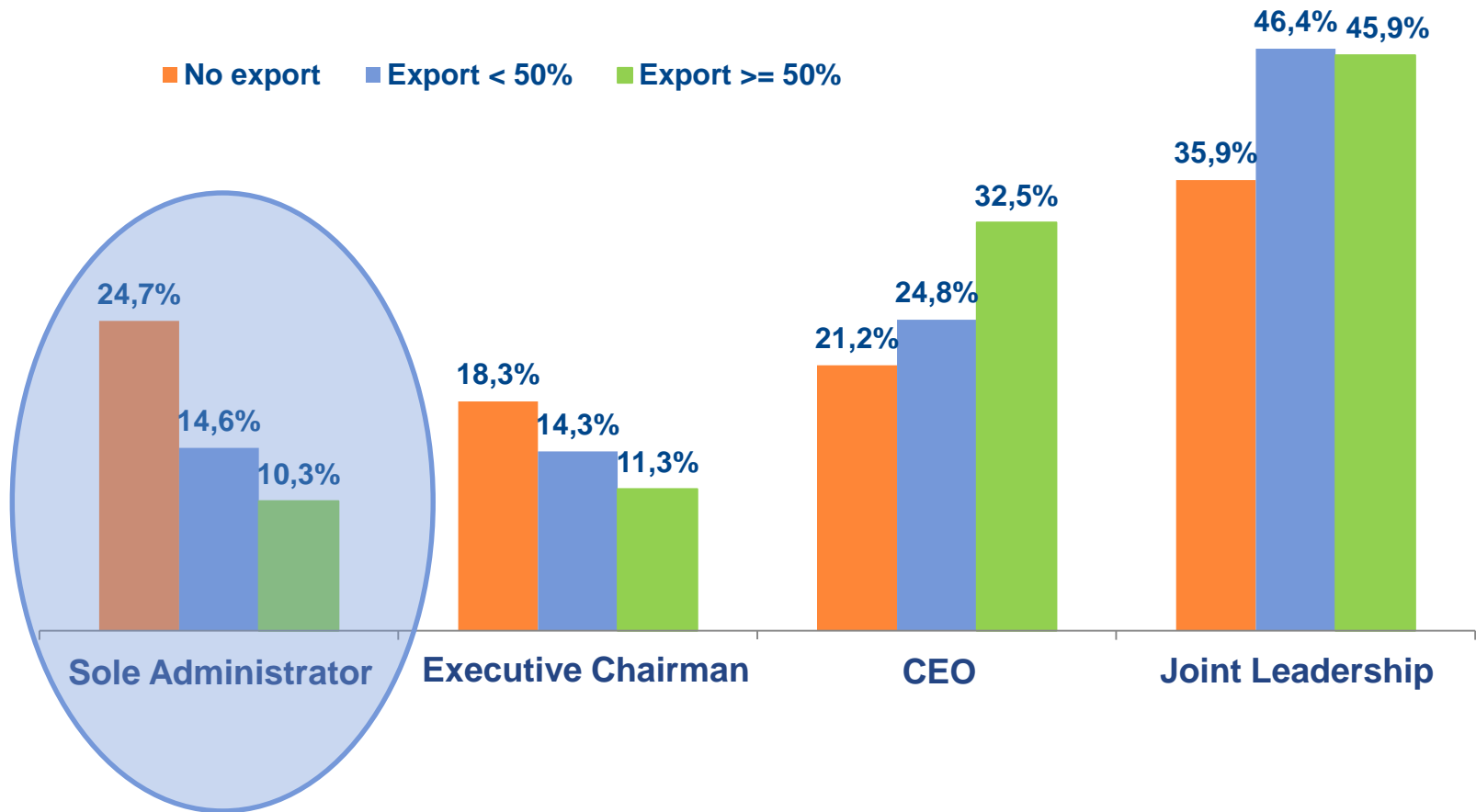
Number of geographical macro-areas



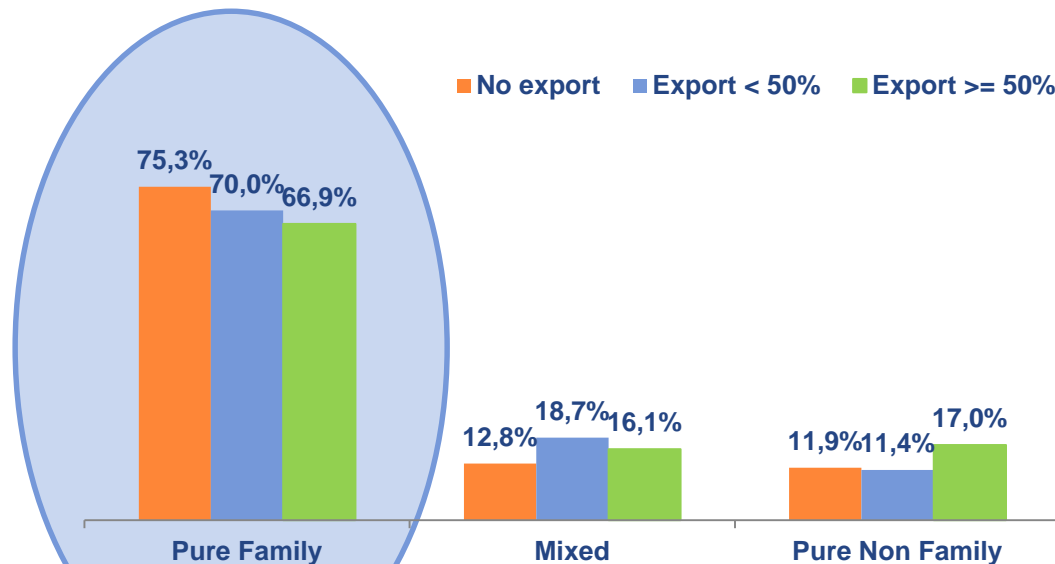
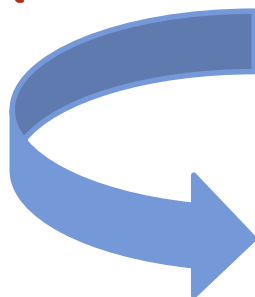
As the incidence of foreign revenues increases, the number of geographical macro-areas covered by IDE increases

There is a growing relationship between more structured leadership models and export propensity

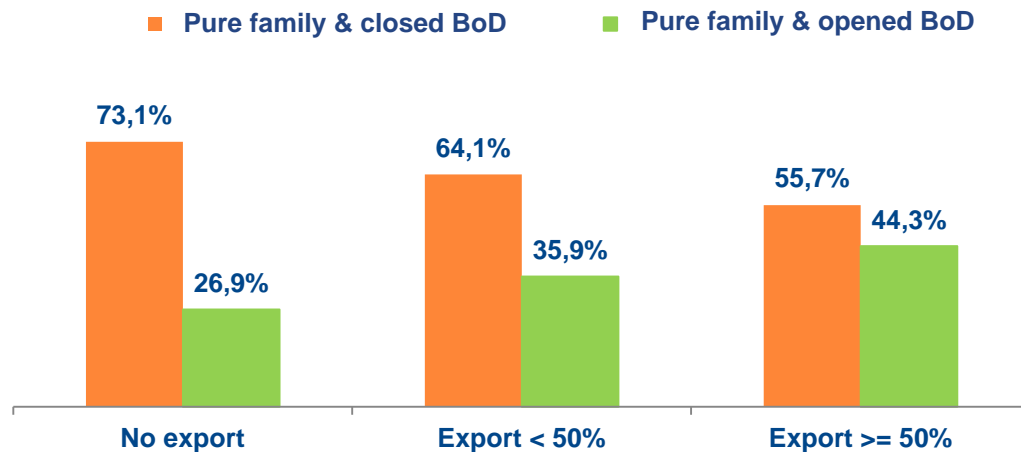
Bocconi



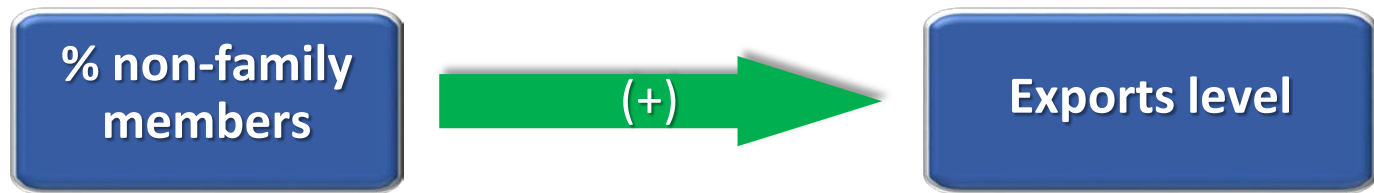
Leadership models that are more open towards non-family members are **more likely to export**



And even with a family leader, the propensity to export increases when the **BoD is opened to non-family members**



There is a **positive correlation** between the percentage of **non-family members** and the percentage of **export**



Non-family members can bring new skills and experience to help family businesses to manage the **foreign market development**

OLS MModel. Dependent Variable: % export

% Non-family members	+ 7,0% ***
Company size	+5,4% ***
Firm age	+0,7%
BoD size	+1,2%
Leverage ratio	-0.0%
Liquidity index	+0,6 *
Leader's age	+0,1 **

*The values indicate that the non-family members have higher (+) or lower (-) performances of "x" points than the average of the population with high significance (***) or (**) if the p value is <.01, average significance (*) or (**) if the p value is <.05, discrete significance (*) or (**) if the p value is <.1. Data for the period 2011-2015 were considered for processing (Source: Aida). A regression analysis was performed with the OLS model and the following controls: 1) company age; 2) company size; 3) year (firm year dummies); 4) Industry (firm year industry) considering the first 2 digits of the Ateco 2007 code; 5) indebtedness (Net Asset / Net Asset); 6) company liquidity; 7) size of the Board; 8) age of the company leader.*

Listed family firms

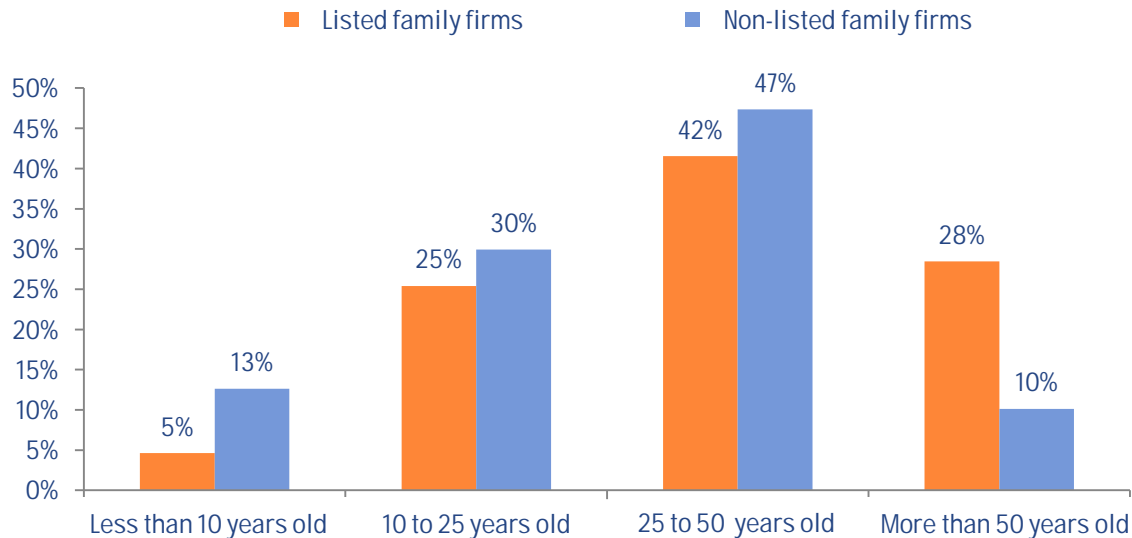
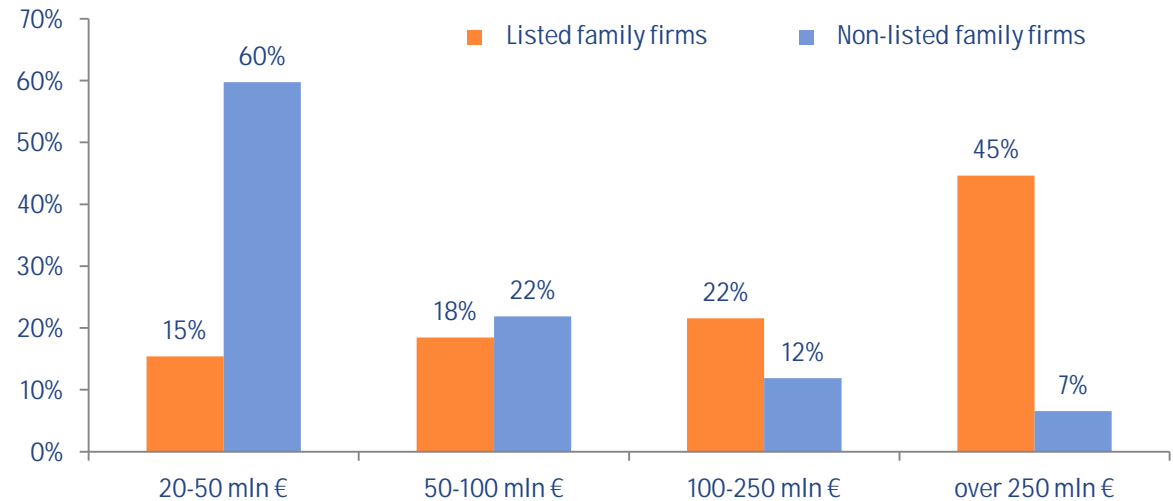
An option for growth

Even among the listed companies, about **2/3** of the companies with a turnover of over € 20m are **family controlled firms** *

Ownership Structure	Listed		Non-listed	
	N	%	N	%
Family firms	130	67,0%	9.938	65,0%
Non-Family firms	64	33,0%	5.363	35,0%
Total	194	100,0%	15.301	100,0%

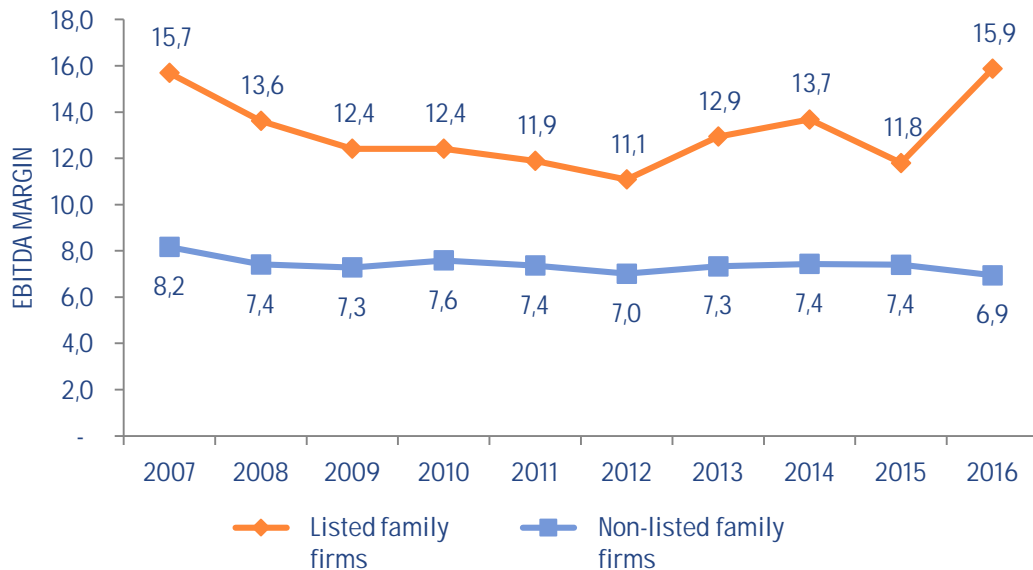
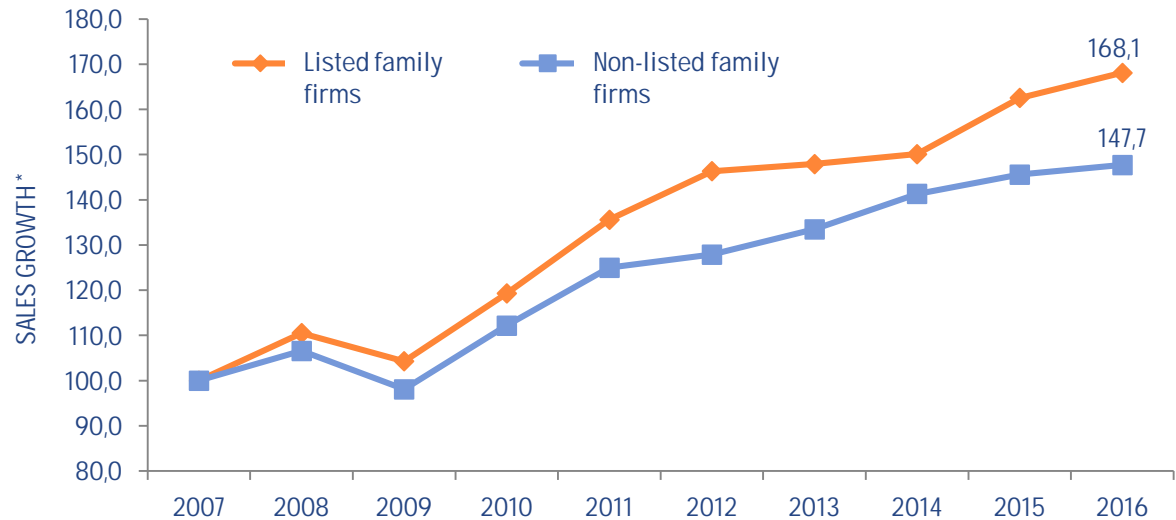
* Banks and insurance companies are excluded from the AUB Observatory.

Listed family businesses are larger than unlisted ...



... and on average more long-lived than unlisted firms

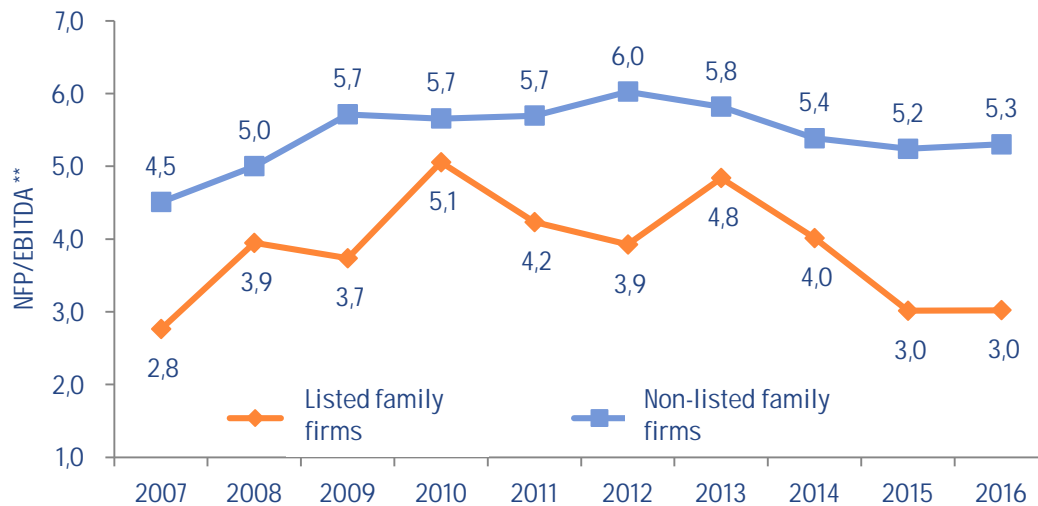
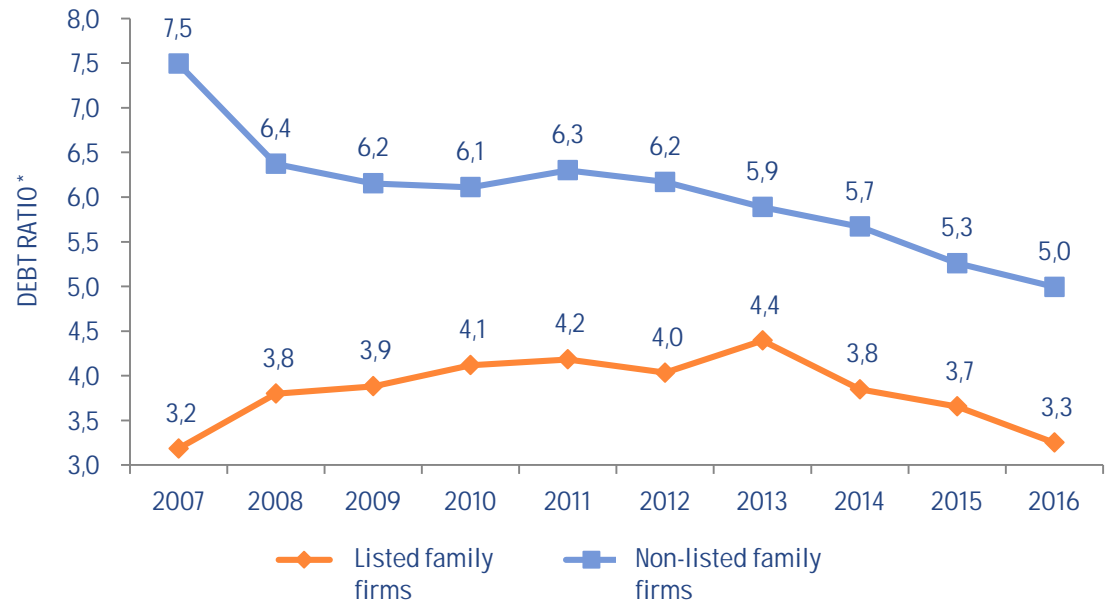
Listed family members recorded a growth rate higher than unlisted



Listed family firms show an **EBITDA** margin higher than that of non-listed companies in the last decade

(*) Cumulative growth on a 100 basis (2007), calculated on sales revenues (Source: Aida). The cumulative growth of non-family businesses is a weighted average of the growth rates of companies with non-family ownership structures.

Family listed companies show a debt ratio of **almost 2 points lower** than unlisted family firms

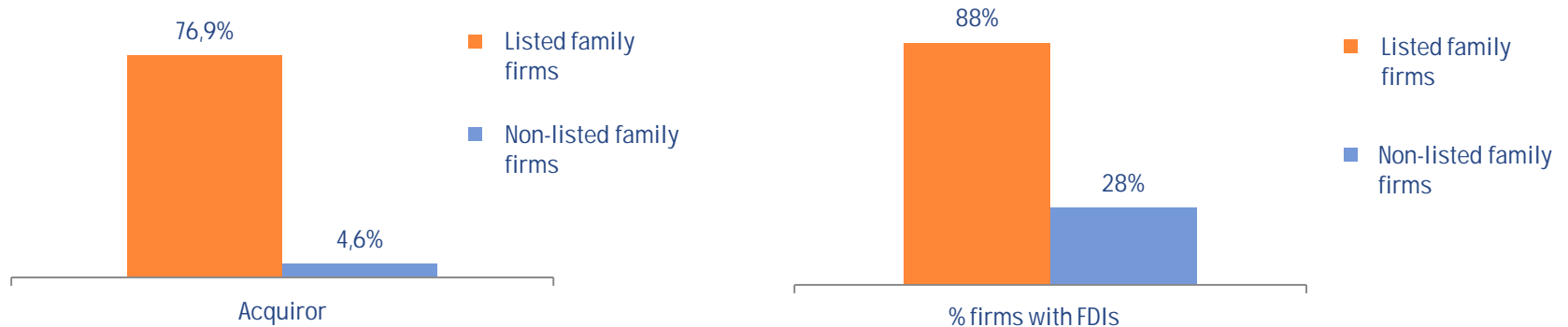


Listed family firms show a lower NFP / EBITDA ratio of **more than 2 points** compared to unlisted family firms

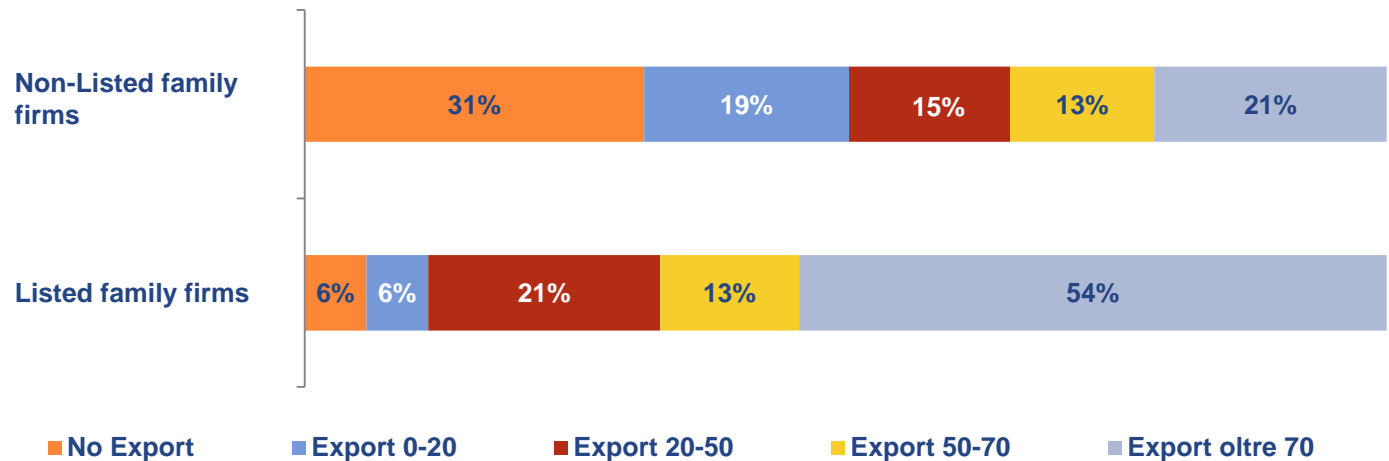
(*) Debt ratio = Total Assets / Equity (Source: Aida).

(**) The calculation basis consists only of companies with both NFP and EBITDA positive values (Source: Aida).

Listed family firms are more likely than non-listed companies to make acquisitions* and FDIs ...



... as well as to export abroad



(*) Only majority acquisitions were included, i.e. those aimed at acquiring more than 50% of shares over the period 2000-2015.

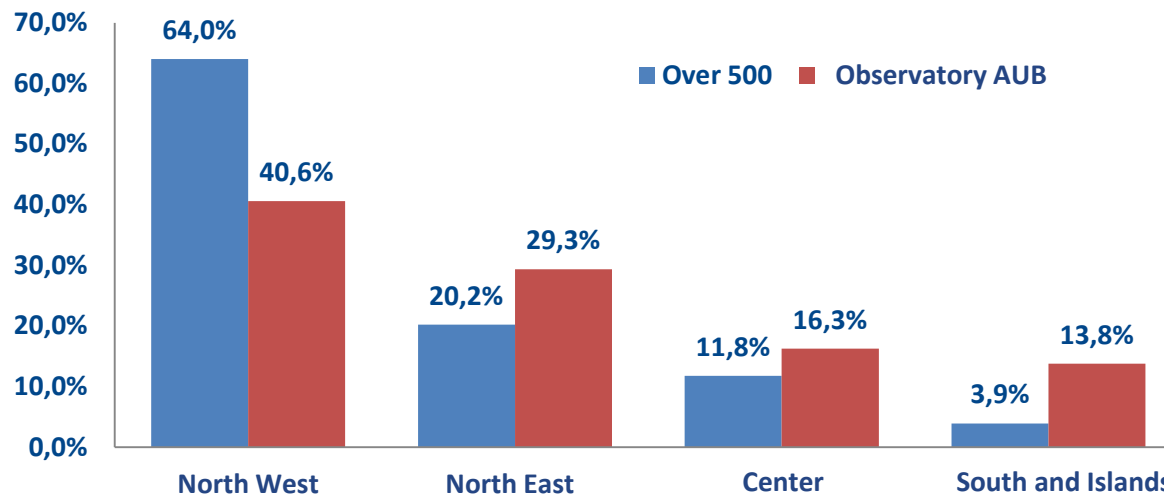
Listed companies have the **opportunity to choose** between family and non-family leadership

	Listed Family firm	Non-listed family firm
Leadership Models		
- Sole Administrator	0,%	27%
- Executive Chairman	4%	16%
- CEO	65%	21%
- Joint Leadership	31%	36%
Pure Family Model	44%	77%
Leader >70 years old	18%	24%
Non-Family members > 50%	89%	20%
Firm with at least a female in the BoD	93%	56%
Acquiror Firms (2000-15)	77%	5%
% Companies with FDIs	88%	28%
% Companies with exports	94%	62%
% Companies with exports > 70%	54%	21%

Firms with more than 500 Millions in Revenues











Excluding the controlling holding companies, we compared the **178 family firms** with turnover > 500 million euros (Over 500) with the rest of the AUB population

AUB OBSERVATORY	Over 500 (> 500 mln €)	AUB POPULATION
Non-Family firms	302	4.751
Family firms	178	7.498
Total	480	12.249

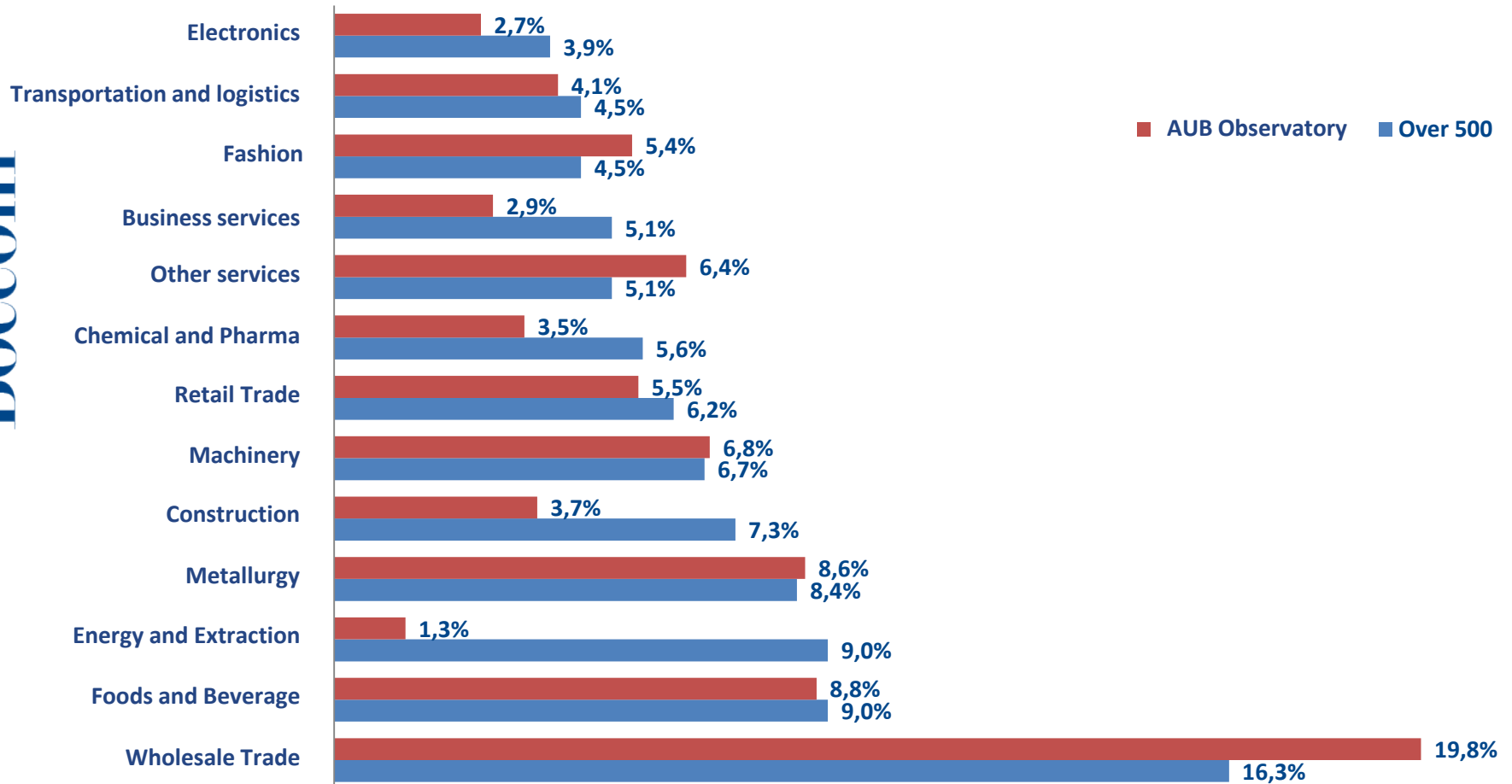


Over 500 firms are present to a greater extent in the North-West of the country

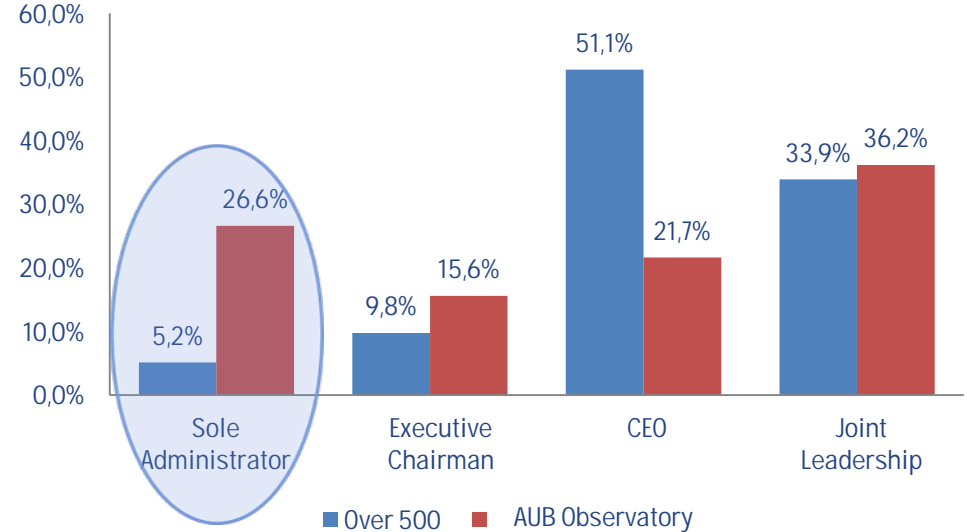
The top 10 provinces of Over 500 firms

Provinces		Over 500		AUB Observatory	
		N	%	N	%
	Milano	46	25,8%	1.004	13,0%
	Roma	16	9,0%	462	6,0%
	Bologna	8	4,5%	186	2,4%
	Padova	7	3,9%	226	2,9%
	Vicenza	7	3,9%	297	3,9%
	Bergamo	6	3,4%	282	3,7%
	Firenze	6	3,4%	148	1,9%
	Torino	6	3,4%	302	3,9%
	Genova	5	2,8%	88	1,1%
	Treviso	5	2,8%	210	2,7%

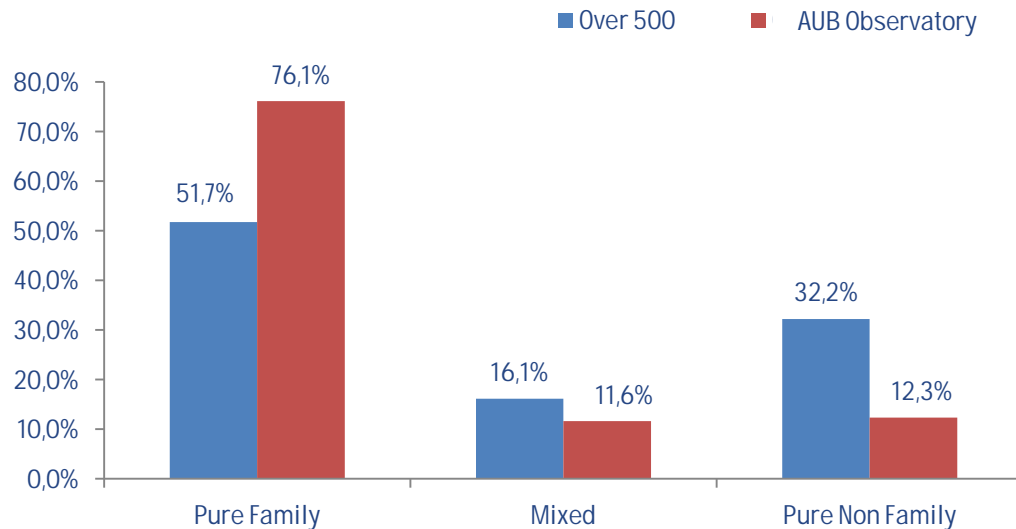
Over 500 firms are present to a greater extent in the Industries of Energy and Extraction, Construction and Chemical-Pharmaceutical



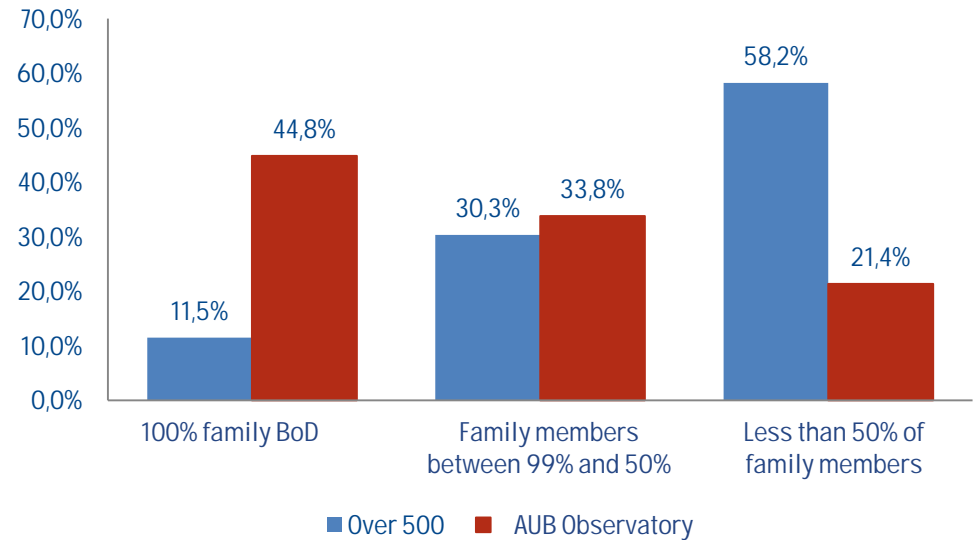
Over 500 firms have **more structured leadership models**. Only in a few cases there is a Sole Administrator or an Executive Chairman



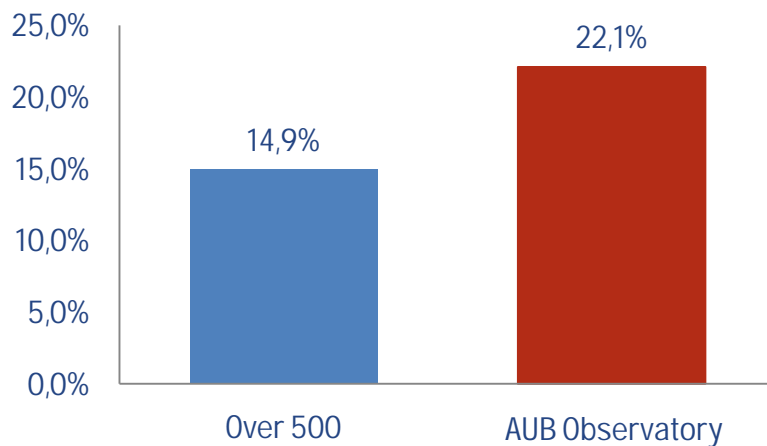
Compared to the national average, a higher number of Over 500 firms are led by **non-family leaders**



Among the Over 500,
about 1 company out of
10 has a BoD totally
familiar, compared to
45% of the national
average ...

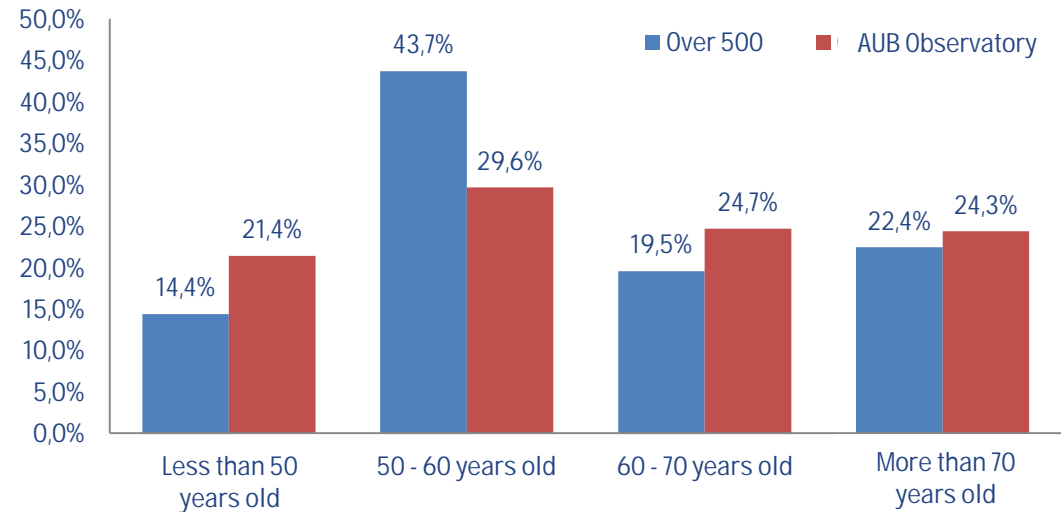


At least 1 women in the BoD

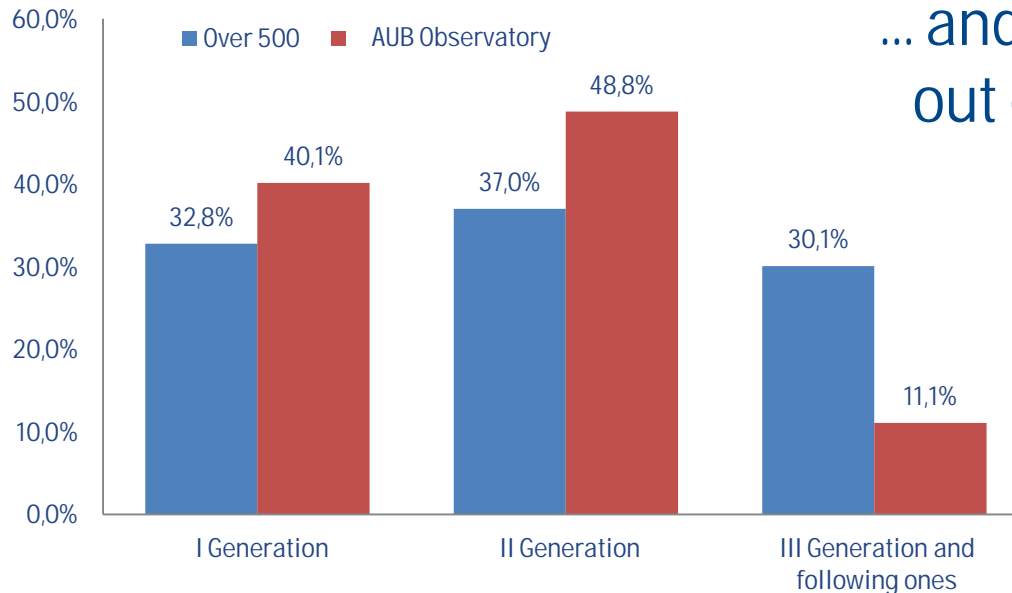


... while the company size
confirms itself as an
obstacle to the presence
of women in the BoD

In Over 500 there are more leaders between 50 and 60 years old...

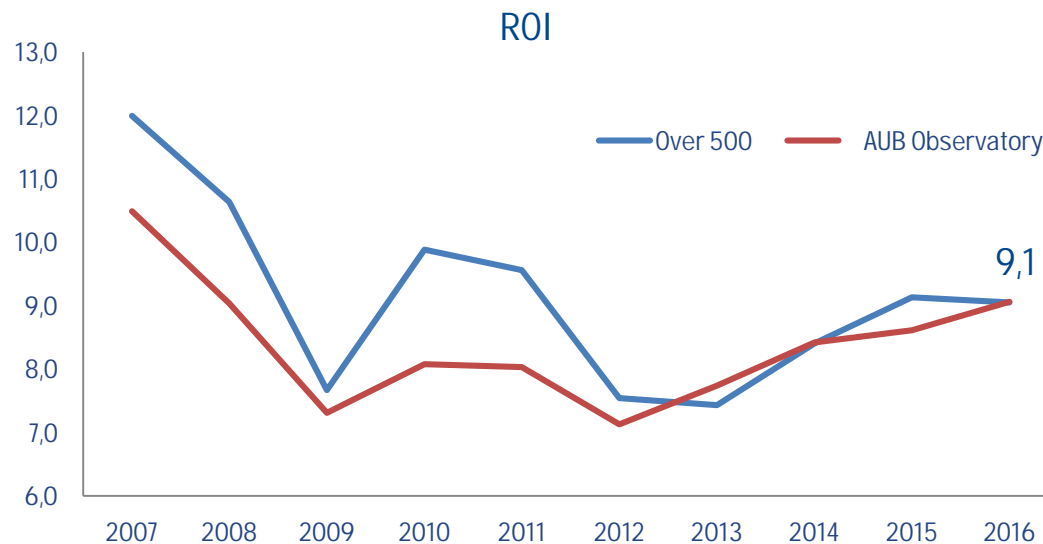
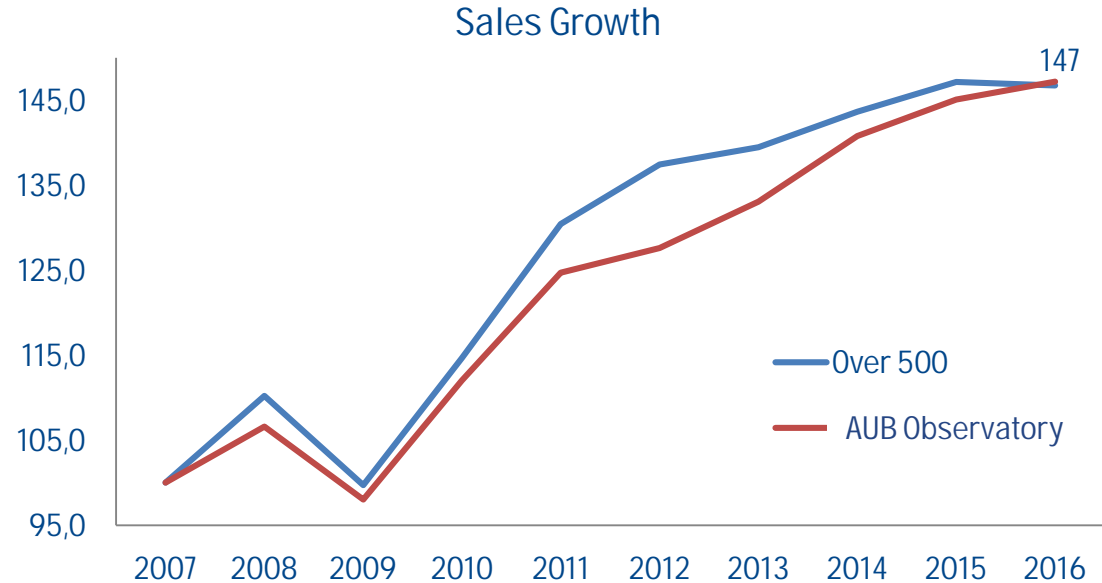


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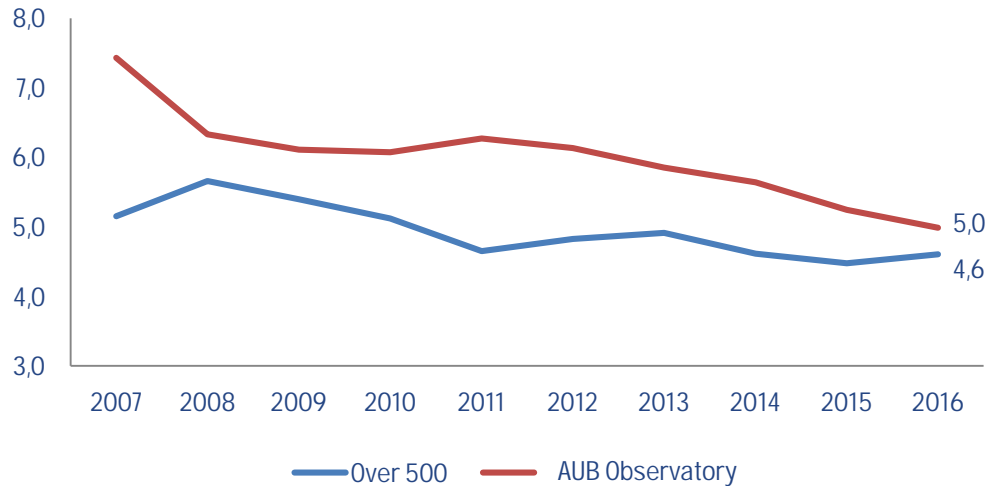
... and about 1 company Over 500 out of three passed the second generation

Over 500 firms have recorded a growth rate in line with the national average over the last decade



Also in terms of profitability, the Over 500 recorded operating profitability in line with the national average

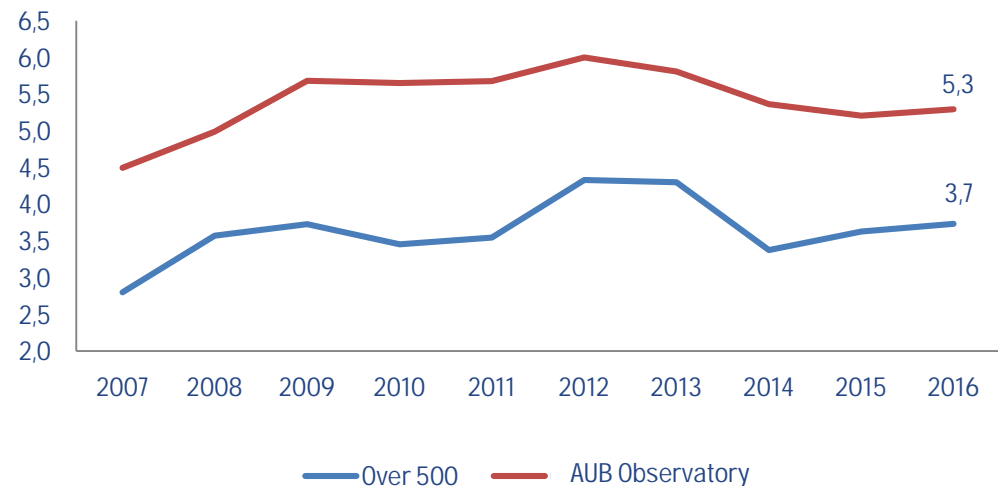
Debt Ratio



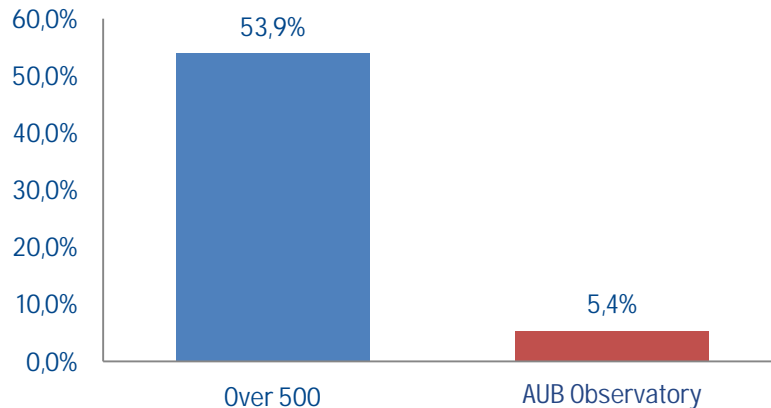
Over 500s show a
debt ratio on
average lower
than the national
average ...

... and a greater
ability to repay the
debt (measured in
terms of the NFP /
EBITDA ratio)

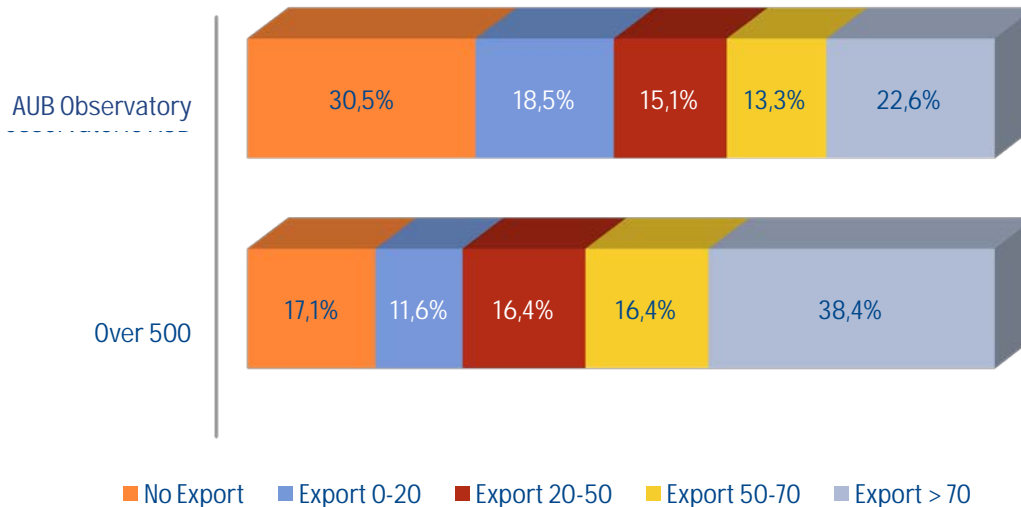
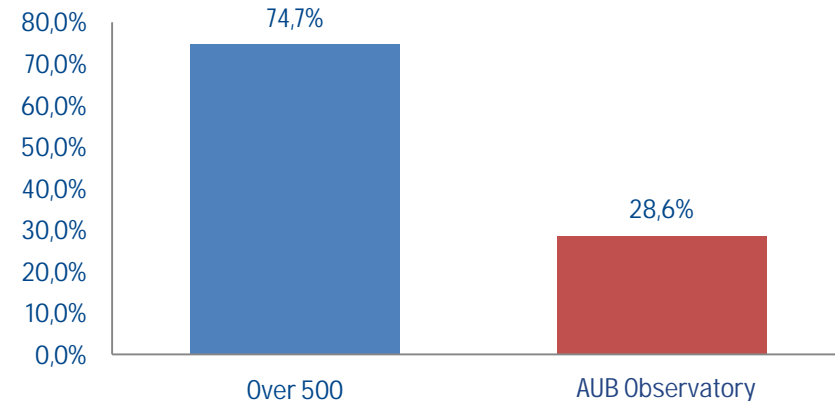
NFP/EBITDA



Acquiror



% firms with FDIs



Over 500 firms are more likely to make acquisitions, foreign direct investments and exports than the national average

The background image is a blue-tinted photograph of a modern interior space. It features a ceiling with a grid of recessed lights, some of which are illuminated. The floor is highly reflective, mirroring the ceiling and the structural elements. On the left, there are dark, angular architectural elements. The overall atmosphere is clean, industrial, and futuristic.

Bocconi

The centennial family firms

Some of the over 100-year-old Italian family firms

Bocconi



VITALE BARBERIS
CANONICO



Ermenegildo Zegna



Eigenmann & Vercelli

Among the centennial family firms the incidence of medium and large companies is greater

Sales class:

20-50
mln

50-100
mln

100-250
mln

>250
mln

39



68



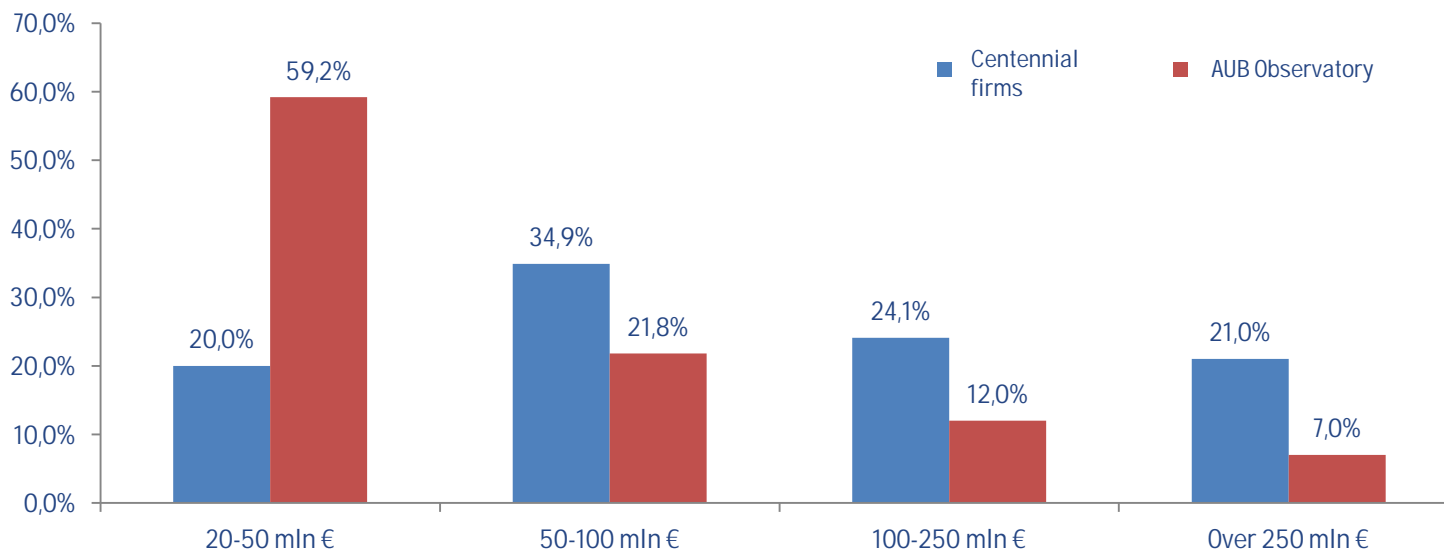
47









41



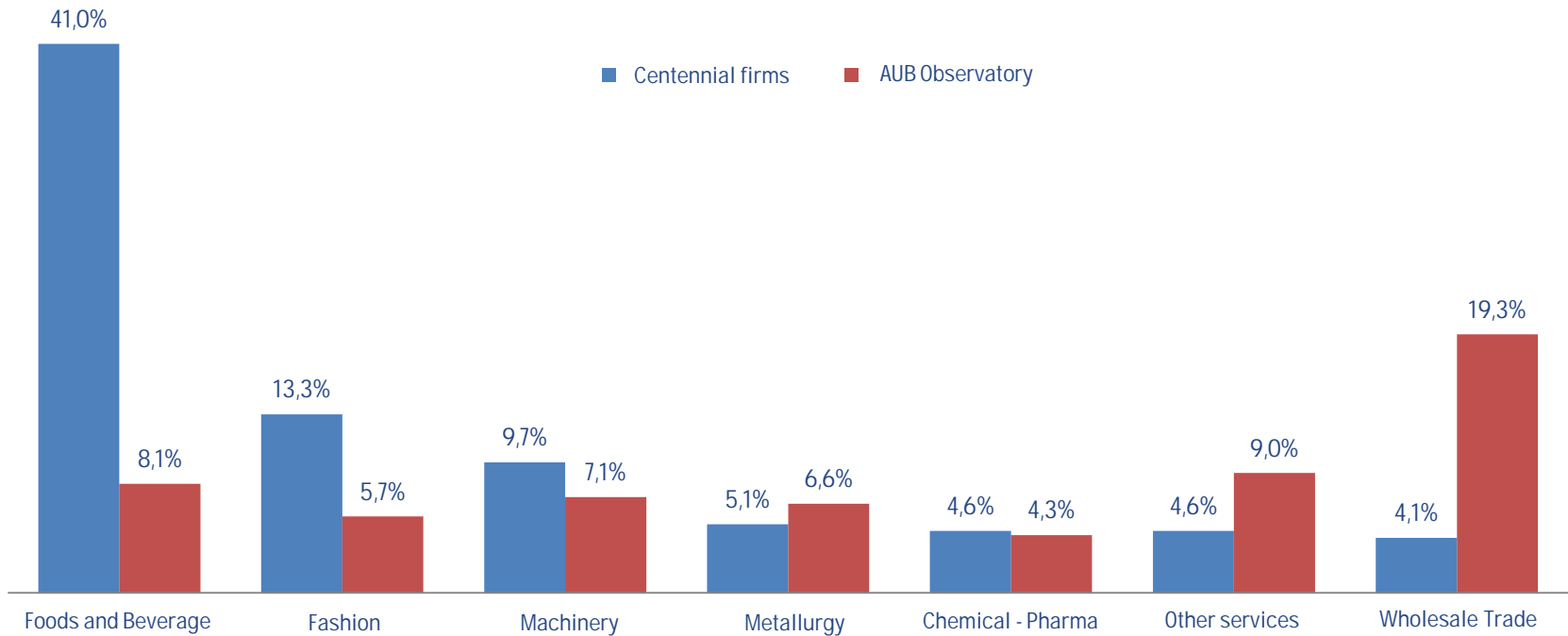
195



The top 10 provinces of centennial family firms

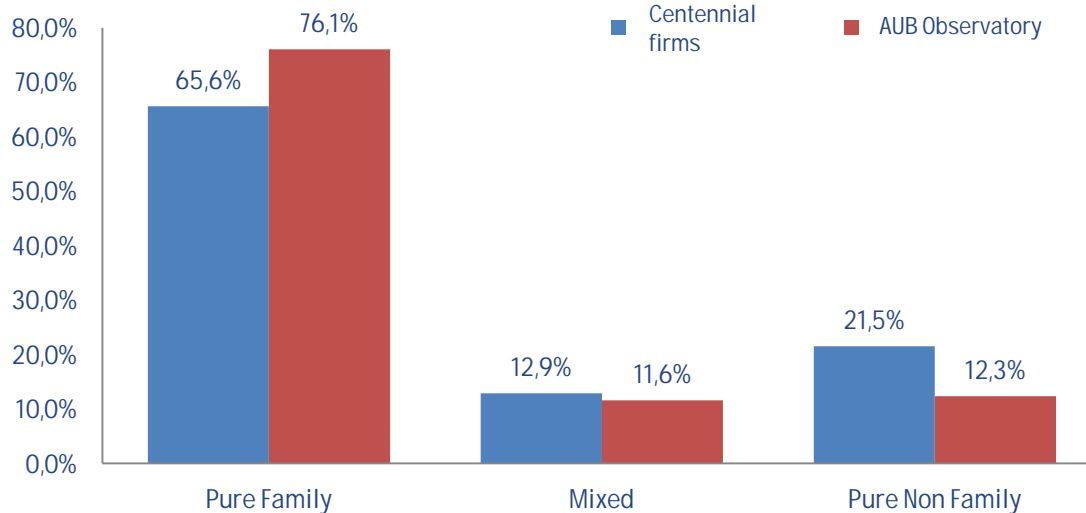
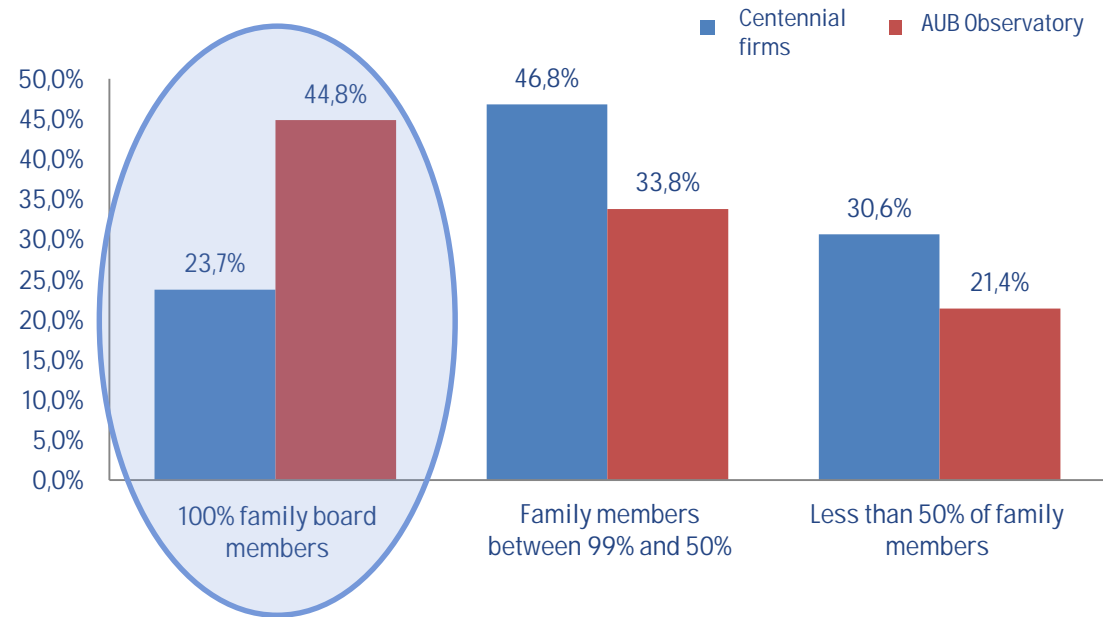
Provinces	Centennial family firms		AUB Observatory	
	N	%	N	%
 Milano	36	18,5%	1004	13,0%
 Vicenza	9	4,6%	297	3,9%
 Lecco	8	4,1%	80	1,0%
 Biella	7	3,6%	32	0,4%
 Bologna	7	3,6%	186	2,4%
 Brescia	7	3,6%	398	5,2%
 Parma	7	3,6%	114	1,5%
 Roma	7	3,6%	462	6,0%
 Torino	7	3,6%	302	3,9%
 Genova	6	3,1%	88	1,1%

41% of centennial family firms work in the food Industry*



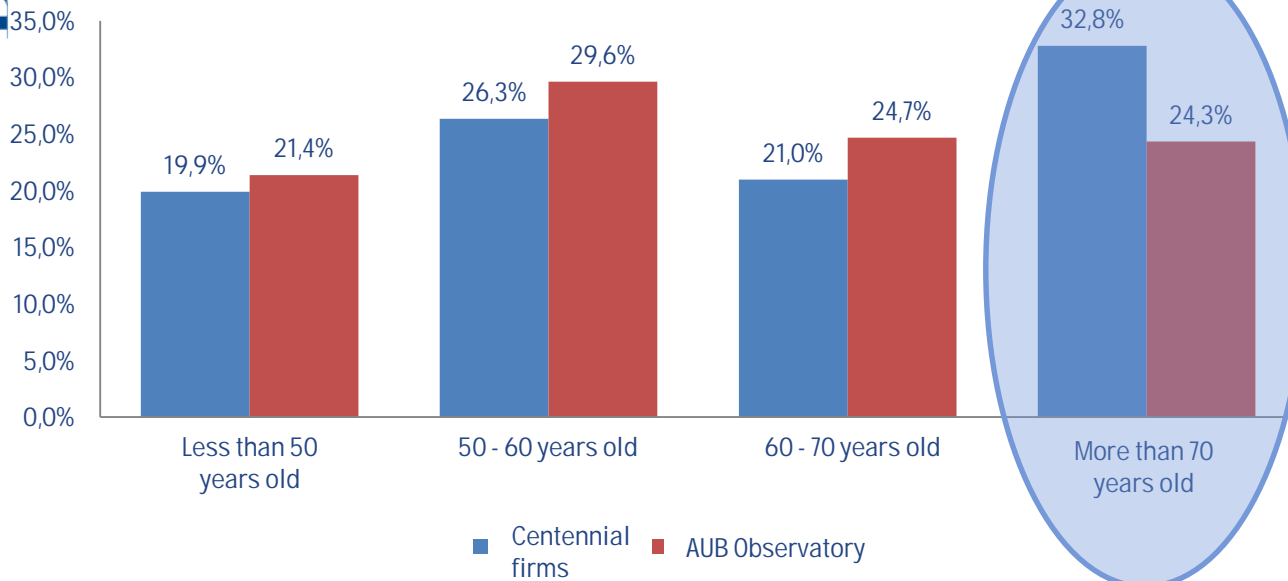
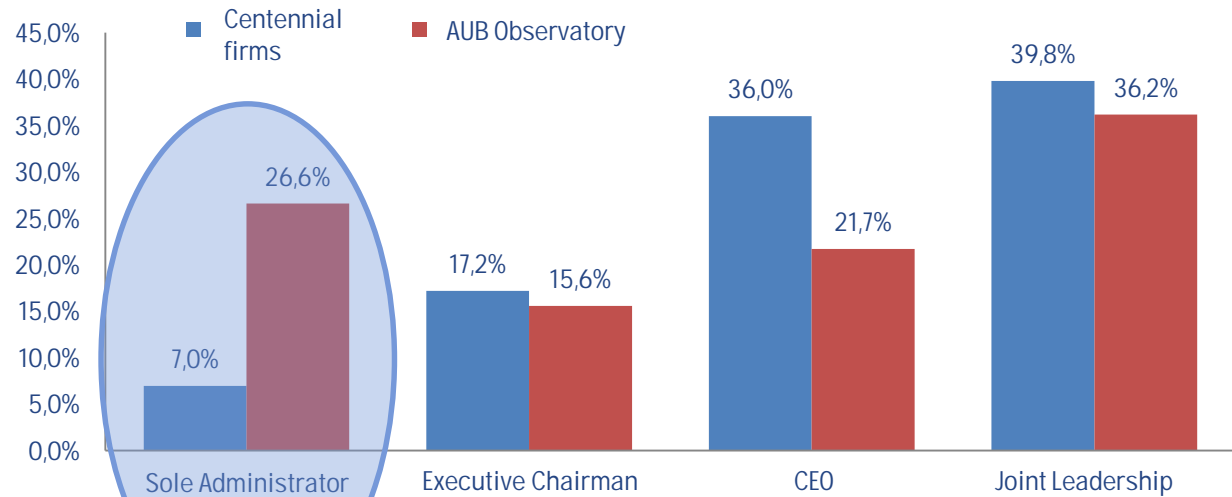
* Only Industries with a percentage of centennial firms higher than 4% are showed.

Centennial firms show greater openness to non-family members in the BoD ...



... and in many cases they are still led by family leaders

Centennial firms
have **more
structured**
leadership models.
Only in a few cases
there is a **sole
administrator** ...



... and have
older leaders
than
companies in
the AUB
observatory

Methodological note



Companies were classified as family businesses if:

- One or two families hold at least 50% of the capital (if not listed);
- One or two families hold at least 25% of the capital (if listed);
- The firm is controlled by another legal entity which satisfies one of the two criteria stated above

In case of monobusiness groups:

Parent companies were considered if:

- i) the company is a financial holding company;
- ii) there is only one relevant (operating) subsidiary with revenues exceeding 20 million €;
- iii) the consolidation area of the controlling company substantially equals the dimension of the larger controlled firm.

In case of inclusion of the parent company in the list, all subsidiaries have been excluded from the analyses, both on the first level and on subsequent levels.

In case of multibusiness groups:

- Parent companies have been excluded (in many cases financial holding companies).
- Operating subsidiaries from the second level of the control chain have been included.
- Financial holding companies on the second level (sub-holding, identified through the 2007 ATECO code) were included in the following cases:
 - i) if companies controlled by them by at least 50% and with revenues higher than 20 million € operate in the same industry;
 - ii) if there is only one company, controlled by at least 50% and with revenues higher than 20 million €.
- Controlled firms at third and higher levels of the control chain were excluded from the analysis, since information about them is already comprised in the consolidated balance-sheets of the second-level controlling companies.

Data and information about the governing bodies and firm leaders was collected through the encoding of the “Company Profile”- an official filing registered at the Italian Chamber of Commerce (Source: Chamber of Commerce, Industry, Agriculture and Artisanhip of Milan).

For this reason, it was necessary to make some methodological choices to guarantee the analyzability of the data:

- The “familiarity” all Board of Directors’ members has been detected based on the affinity with the family name of the controlling owner. As a matter of fact, data could be slightly underestimated.
- It was only possible to partially mitigate the underestimation problem in case of spouses who share the controlling owner’s permanent address.
- The same methodology was used to assess the “familiarity” of the shareholders.

The industry classification according to Ateco 2007 Code

Business Segment	Ateco 2007 Code
Vehicles	45
Wholesale Trade	46
Retail Trade	47
Other Services	37, 38, 39, 55, 56, 58, 59, 60, 61, 63.9, 65, 66, 78, 79, 80, 81, 82, 84, 85, 86, 87, 88, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99
Constructions	41, 42, 43
Energy and Extractions	5, 6, 7, 8, 9, 19, 35, 36
Transport & Logistic	49, 50, 51, 52, 53
Business Services	62, 63.1, 69, 70.2, 71, 72, 73, 74, 75, 77
Financials and Real Estate	70.1, 64, 68
Manufacturing	

Business Industry	Ateco 2007 Code
Food & Beverage	01, 02, 03, 04, 10, 11
Other Manufacturing	12, 23, 32, 33.1, 33.2, 33.3
Fashion	13, 14, 15
Furniture	16, 31
Paper-Print	17, 18
Pharma-Chemical	20, 21, 26.8
Rubber-Plastic	22
Metallurgy	24, 25 (escluso 25.4)
Machinery	25.4, 26.5, 26.6, 26.7, 28
Electronics	26.1, 26.2, 26.3, 26.4, 27
Means of transport	29, 30

Appendice 1. The list of the 300 «Benchmark» family firms *

- * The sorting has been done according to the firms' revenues



Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
LUXOTTICA GROUP SPA	Milano	8.836,6	Wholesale Trade
GTECH S.P.A. (IGT)	Roma	4.353,1	Business Services
PRADA S.P.A.	Milano	3.547,8	Retail Trade
A. MENARINI - INDUSTRIE FARMACEUTICHE RIUNITE - S.R.L.	Firenze	3.326,0	Chemical-Pharma
GIORGIO ARMANI S.P.A.	Milano	2.650,1	Business Services
CHIMET - S.P.A.-	Arezzo	2.130,0	Metallurgy
FRENI BREMBO - S.P.A.	Bergamo	2.073,2	Means of transport
ITALPREZIOSI S.P.A.	Arezzo	1.868,6	Metallurgy
DE' LONGHI S.P.A.	Treviso	1.866,8	Electronics
ALI S.P.A.	Milano	1.861,3	Machinery
BOLTON GROUP S.R.L.	Milano	1.758,3	Foods and Beverage
DAVIDE CAMPARI-MILANO S.P.A.	Milano	1.656,8	Foods and Beverage
LUIGI LAVAZZA - SOCIETA' PER AZIONI	Torino	1.472,6	Foods and Beverage
CHIESI FARMACEUTICI S.P.A.	Parma	1.467,1	Chemical-Pharma
INALCA SOCIETA' PER AZIONI	Modena	1.454,0	Foods and Beverage
MARR S.P.A.	Rimini	1.440,3	Wholesale Trade
ARISTON THERMO S.P.A.	Ancona	1.433,2	Electronics
SALVATORE FERRAGAMO S.P.A.	Firenze	1.417,2	Fashion
ERMENEGILDO ZEGNA HOLDITALIA - S.P.A.	Biella	1.261,3	Fashion
CASILLO PARTECIPAZIONI S.R.L.	Bari	1.129,4	Foods and Beverage
RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.P.A.	Milano	1.047,7	Chemical-Pharma
TOD'S S.P.A.	Fermo	1.037,0	Fashion
AMPLIFON S.P.A.	Milano	1.034,0	Retail Trade
ALI' S.P.A.	Padova	958,7	Retail Trade
COMPUTER GROSS ITALIA S.P.A.	Firenze	939,1	Wholesale Trade
DIMAR S.P.A.	Cuneo	921,0	Wholesale Trade
BONATTI -S.P.A.	Parma	893,7	Construction
MONCLER S.P.A.	Milano	880,4	Fashion
EDIL TRE Construction S.P.A.	Roma	856,0	Construction
EPTA S.P.A.	Milano	767,4	Other manufacturing

Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
C.O.I.M. S.P.A. - CHIMICA ORGANICA INDUSTRIALE MILANESE	Milano	763,2	Rubber and plastic
LA DORIA - S.P.A.	Salerno	748,3	Foods and Beverage
PADANA TUBI E PROFILATI ACCIAIO - S.P.A.	Reggio Emilia	731,0	Metallurgy
REPLY S.P.A.	Torino	705,6	Business Services
MAIOR S.R.L.	Padova	702,8	Wholesale Trade
GOTTARDO S.P.A.	Padova	697,9	Retail Trade
BERETTA HOLDING S.P.A.	Brescia	660,8	Machinery
INDUSTRIE CARTARIE TRONCHETTI - S. P. A.	Lucca	647,2	Paper and prints
FEDRIGONI S.P.A.	Verona	608,9	Paper and prints
HUMANITAS SOCIETA' PER AZIONI	Milano	586,1	Other services
ARNEG S.P.A.	Padova	570,9	Machinery
SMEG S.P.A.	Reggio Emilia	559,7	Electronics
SUPERMERCATI TOSANO CEREAL S.R.L.	Verona	548,7	Retail Trade
F.LLI LANDO S.P.A.	Padova	537,2	Retail Trade
ITALFARMACO S.P.A.	Milano	536,2	Chemical-Pharma
DATALOGIC S.P.A.	Bologna	535,1	Electronics
LAMBERTI S.P.A.	Varese	514,4	Chemical-Pharma
DIASORIN S.P.A.	Vercelli	499,2	Chemical-Pharma
METALMachinery TIBERINA S.R.L.	Perugia	457,0	Metallurgy
APULIA DISTRIBUZIONE S.R.L.	Bari	447,6	Wholesale Trade
VALVITALIA S.P.A.	Pavia	444,4	Machinery
TIGROS SPA	Varese	443,3	Retail Trade
UMANA S.P.A.	Venezia	441,2	Other services
ROSSETTO TRADE S.P.A.	Verona	439,7	Retail Trade
KOS S.P.A.	Milano	439,2	Other services
ILLYCAFFE' S.P.A.	Trieste	437,1	Foods and Beverage
MARPOSS SOCIETA' PER AZIONI	Bologna	436,3	Machinery
ALFASIGMA S.P.A. (EX ALFA WASSERMANN S.P.A.)	Pescara	420,1	Chemical-Pharma
GIUSEPPE CITTERIO S.R.L.	Milano	416,6	Foods and Beverage
ALIMCO FIN S.P.A.	Bolzano	415,2	Wholesale Trade

Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
GNUTTI CARLO S.P.A.	Brescia	402,9	Machinery
COSMO S.P.A.	Teramo	395,5	Retail Trade
LUCCHINI RS S.P.A.	Brescia	392,6	Means of transport
ZANETTI S.P.A.	Bergamo	381,4	Wholesale Trade
BRANCA INTERNATIONAL S.P.A.	Milano	366,5	Foods and Beverage
MODERNA S.P.A.	Salerno	362,8	Wholesale Trade
HOLDING UMBERTO GNUTTI S.P.A.	Brescia	362,7	Metallurgy
CASA OLEARIA ITALIANA SOCIETA' PER AZIONI	Verona	345,8	Foods and Beverage
MIGROSS S.P.A.	Verona	341,7	Retail Trade
SIAE-MICROElectronics - S.P.A.	Milano	330,2	Electronics
F. DIVELLA S.P.A.	Bari	321,8	Foods and Beverage
INDUSTRIE DE NORA S.P.A.	Milano	321,6	Financials and Real Estate
CESAR DI BARBAROSSA ENIO E F.LLI S.R.L.	Pescara	316,4	Wholesale Trade
SUPERMERCATI MARTINELLI S.R.L.	Verona	308,0	Retail Trade
VIVIGAS S.P.A.	Brescia	306,2	Energy and Extraction
CASTEL DEL CHIANTI S.P.A.	Firenze	303,2	Foods and Beverage
LIU.JO S.P.A.	Modena	303,0	Fashion
MEDIA PROFILI - S.R.L.	Treviso	301,5	Furniture
CAMOZZI INDUSTRIES S.P.A.	Brescia	301,3	Metallurgy
LAMINAZIONE SOTTILE SOC.PER AZIONI.	Napoli	290,7	Metallurgy
GRUPPO SDA S.R.L.	Roma	288,4	Wholesale Trade
NICE S.P.A.	Treviso	285,4	Electronics
COMOLI, FERRARI E C. - S.P.A	Novara	283,6	Wholesale Trade
F.I.S. - FABBRICA ITALIANA SINTETICI S.P.A.	Vicenza	280,5	Chemical-Pharma
ATTIVA S.P.A.	Vicenza	275,4	Wholesale Trade
BRUNO S.P.A.	Catania	272,9	Retail Trade
D.M.O. - DETTAGLIO MODERNO ORGANIZZATO S.P.A.	Padova	269,7	Retail Trade
EUROITALIA S.R.L.	Monza e della Brianza	265,5	Wholesale Trade
EIGENMANN & VERONELLI SPA	Milano	253,7	Chemical-Pharma

Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
CAME GROUP S.P.A.	Treviso	249,0	Electronics
RIELLO Electronics S.P.A.	Verona	240,4	Electronics
CONCERIA PASUBIO S.P.A.	Vicenza	233,7	Fashion
CAPRI S.R.L.	Napoli	225,5	Retail Trade
FRATELLI CUOCOLO S.R.L.	Napoli	223,6	Wholesale Trade
TEOFARMA S.R.L.	Pavia	221,0	Chemical-Pharma
BONALDI MOTORI S.P.A.	Bergamo	218,0	Vehicles
GRUPPO SOCIETA' GAS RIMINI S.P.A.	Rimini	216,6	Business Services
FORNAROLI CARTA S.P.A.	Piacenza	216,5	Wholesale Trade
NUOVA OMPI S.R.L.	Padova	215,8	Other manufacturing
POLTRONESOFA' S.P.A.	Bologna	215,8	Furniture
COLOMBO Construction S.P.A.	Lecco	206,3	Construction
REAGENS S.P.A.	Bologna	205,7	Chemical-Pharma
TECNIPLAST S.P.A.	Varese	205,0	Rubber and plastic
SEDA ITALY SPA	Napoli	200,7	Paper and prints
MARKAS S.R.L.	Bolzano	199,6	Other services
FEINROHREN S.P.A.	Brescia	196,7	Metallurgy
MARCHESINI GROUP S.P.A.	Bologna	196,5	Machinery
OVERMACH GROUP S.P.A.	Parma	194,4	Financials and Real Estate
3 B - S.P.A.	Treviso	190,5	Furniture
MALESCI ISTITUTO FARMACOBIOLOGICO - S.P.A.	Firenze	190,0	Chemical-Pharma
FONTI DI VINADIO S.P.A.	Cuneo	185,8	Foods and Beverage
FORMENTI & GIOVENZANA S.P.A.	Monza e della Brianza	184,7	Furniture
ELEMASTER S.P.A. TECNOLOGIE ELETTRONICHE	Lecco	183,8	Electronics
FASSINA S.P.A.	Milano	181,9	Vehicles
CEIT IMPIANTI SRL	Chieti	178,6	Construction
AUTOSTAR S.P.A.	Udine	176,9	Vehicles
GRUPPO BORGHI S.P.A.	Bologna	173,4	Financials and Real Estate
MEDIOLANUM FARMACEUTICI S.P.A.	Milano	173,2	Chemical-Pharma
DI VIESTO S.P.A.	Torino	173,2	Vehicles

Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
MARCHESI ANTINORI - S.P.A. IN SIGLA C.D.S. S.P.A.	Firenze	173,0	Foods and Beverage
MIDI EUROPE S.R.L.	Verona	172,1	Means of transport
IMPERIAL S.P.A.	Bologna	171,7	Wholesale Trade
ICE S.P.A.	Reggio Emilia	171,7	Wholesale Trade
FOMA - S.P.A.	Brescia	171,3	Metallurgy
FRATELLI IBBA S.R.L.	Oristano	170,7	Wholesale Trade
FINDER S.P.A.	Torino	169,6	Electronics
ANNOVI REVERBERI S.P.A.	Modena	168,4	Machinery
GALBUSERA S.P.A.	Sondrio	167,2	Foods and Beverage
MIDAC S.P.A.	Verona	166,4	Electronics
PEDROLLO S.P.A.	Verona	166,1	Machinery
COVEME S.P.A.	Gorizia	161,8	Rubber and plastic
ZUCCHETTI SPA	Lodi	159,9	Business Services
TUFANO S.P.A.	Napoli	159,3	Wholesale Trade
UMBRA CUSCINETTI S.P.A.	Perugia	158,4	Other manufacturing
GNUTTI CIRILLO S.P.A.	Brescia	158,3	Metallurgy
GRUPPO CIMBALI S.P.A.	Milano	157,5	Machinery
BIRRA FORST S.P.A.	Bolzano	157,3	Foods and Beverage
SALCEF Construction EDILI E FERROVIARIE S.P.A.	Roma	156,7	Construction
METAL WORK S.P.A.	Brescia	155,0	Machinery
CASA VINICOLA BOTTER CARLO & C. SPA,	Venezia	154,5	Foods and Beverage
MTA S.P.A.	Lodi	153,8	Means of transport
VIERI - S.P.A.	Vicenza	152,4	Other manufacturing
DR. SCHAEER SPA	Bolzano	151,3	Foods and Beverage
INTERPOLIMERI S.P.A.	Padova	150,8	Wholesale Trade
FA.TA. RICAMBI - SOCIETA' PER AZIONI	Bologna	150,4	Metallurgy
COLOMBEROTTO S.P.A.	Treviso	150,1	Foods and Beverage
MONGE & C. - S.P.A.	Cuneo	147,8	Foods and Beverage
U. DEL CORONA & SCARDIGLI S.R.L.	Livorno	146,4	Transport and logistics
INTERMARKET DIAMOND BUSINESS S.P.A.	Milano	146,0	Wholesale Trade

Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
KUVERA S.P.A.	Napoli	145,3	Wholesale Trade
JUST ITALIA S.R.L.	Verona	142,7	Retail Trade
CIVE S.P.A.	Milano	141,0	Retail Trade
IGOR S.R.L.	Novara	139,7	Wholesale Trade
BOLDROCCHI SRL	Monza e della Brianza	135,6	Machinery
VITALE BARBERIS CANONICO - S.P.A.	Biella	135,5	Fashion
FIOCCHI MUNIZIONI S.P.A.	Lecco	135,4	Machinery
SPINELLI S.R.L.	Genova	135,1	Transport and logistics
BASIC NET S.P.A.	Torino	133,9	Business Services
CAFFE' TROMBETTA - SOCIETA' PER AZIONI ED	Roma	133,6	Foods and Beverage
GVS S.P.A.	Bologna	132,2	Other manufacturing
ABIOGEN PHARMA S.P.A.	Pisa	131,1	Chemical-Pharma
PADANIA ALIMENTI S.R.L.	Cremona	131,1	Foods and Beverage
ARTI GRAFICHE REGGIANE & LAI S.P.A.	Reggio Emilia	128,9	Paper and prints
EREDI CAMPIDONICO - S.P.A.	Torino	126,8	Wholesale Trade
ABOCA S.P.A. SOCIETA' AGRICOLA	Arezzo	126,8	Foods and Beverage
ISEO SERRATURE S.P.A.	Brescia	126,1	Metallurgy
W.P. LAVORI IN CORSO S.R.L. (SIGLA W.P.)	Bologna	125,5	Wholesale Trade
ABRAMO HOLDING S.P.A.	Roma	123,9	Other services
INDUSTRIE BORLA S.P.A.	Torino	123,9	Rubber and plastic
PISTONE S.P.A.	Palermo	123,6	Retail Trade
GIOIELLINO S.P.A.	Milano	123,6	Wholesale Trade
SELTE S.P.A.	Milano	123,2	Wholesale Trade
SA-FER S.P.A.	Brescia	123,0	Construction
RIVACOLD S.R.L.	Pesaro Urbino	122,9	Machinery
HBC GRUPPO BIANCHI S.P.A.	Milano	122,8	Wholesale Trade
SMIGROUP S.P.A.	Bergamo	122,8	Financials and Real Estate
RENATO CORTI S.P.A.	Milano	122,6	Fashion
GENERAL S.R.L.	Lucca	122,2	Retail Trade
METALLI ESTRUSI S.P.A.	Brescia	121,8	Metallurgy

Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
CEMBRE S.P.A.	Brescia	121,4	Electronics
GRUPPO MUTUIONLINE S.P.A.	Milano	120,7	Other services
R.M.B. S.P.A.	Brescia	120,6	Other services
O.M.S. SALERI S.P.A.	Brescia	119,7	Machinery
MILLEUNO S.P.A.	Treviso	117,8	Other services
ARUBA S.P.A.	Arezzo	117,0	Business Services
ANTOLINI LUIGI & C. S.P.A.	Verona	116,3	Other manufacturing
SAFTA S.P.A.	Alessandria	115,9	Rubber and plastic
VALSOIA S.P.A.	Bologna	115,3	Foods and Beverage
LISA S.P.A.	Como	112,9	Fashion
GRISPORT S.P.A.	Treviso	112,8	Fashion
ZAPI S.P.A.	Reggio Emilia	111,2	Electronics
ECOTECH S.R.L.	Forlì-Cesena	109,0	Wholesale Trade
PRIMADONNA SOCIETA' PER AZIONI	Bari	108,0	Fashion
MARE HOLDING S.P.A.	Milano	107,6	Chemical-Pharma
ARREDO 3 S.R.L.	Venezia	106,4	Furniture
COPAN ITALIA S.P.A.	Brescia	105,3	Rubber and plastic
ITALCANDITI S.P.A.	Bergamo	103,4	Foods and Beverage
CLEAF SPA	Monza e della Brianza	102,6	Furniture
FINE FOODS & PHARMACEUTICALS N.T.M. S.P.A.	Bergamo	102,0	Foods and Beverage
BETTY BLUE S.P.A.	Bologna	100,8	Fashion
GALPERTI ENGINEERING AND FLOW CONTROL S.P.A.	Lecco	96,7	Machinery
SMET - S.P.A.	Roma	96,3	Transport and logistics
COFRA S.R.L.	Barletta-Andria-Trani	96,2	Fashion
INPECO S.P.A.	Milano	96,1	Machinery
TMB S.P.A.	Padova	95,9	Metallurgy
SIMONETTI MARIO S.R.L.	Ancona	94,7	Wholesale Trade
CONCERIA CRISTINA SPA - UNIPERSONALE	Vicenza	94,2	Fashion
BORELLO S.R.L.	Torino	94,0	Retail Trade
INDEL B S.P.A.	Rimini	93,2	Electronics

Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
LEO FRANCE - S.R.L.	Firenze	93,2	Metallurgy
LETE S.P.A.	Roma	91,0	Foods and Beverage
SUCCESSORI REDA - S.P.A. SIGLABILE REDA	Biella	89,9	Fashion
COMELIT GROUP S.P.A.	Bergamo	88,7	Electronics
FERRI AUTO S.P.A.	Udine	87,4	Vehicles
GHIAL S.P.A.	Brescia	87,3	Metallurgy
MINOTTI SPA	Monza e della Brianza	86,6	Furniture
M.E. S.P.A.	Monza e della Brianza	84,6	Transport and logistics
COSTR. ELETTR. INDUSTRIALI AUTOMATISMI S.P.A.	Arezzo	84,0	Electronics
AROL S.P.A.	Asti	84,0	Machinery
STRACCIARI SOCIETA' PER AZIONI	Bologna	82,7	Vehicles
ARIMONDO S.R.L.	Imperia	82,4	Retail Trade
SICULA TRASPORTI - S.R.L.	Catania	81,7	Transport and logistics
FATRO S.P.A.	Bologna	81,5	Chemical-Pharma
NICOLA PANTALEO SPA	Brindisi	81,4	Foods and Beverage
AR-FIN SRL	Bergamo	81,0	Other services
LA SPORTIVA S.P.A.	Trento	81,0	Other manufacturing
MAVOLO ANTONIO S.R.L.	Padova	80,7	Wholesale Trade
OMR - S.P.A.	Brescia	80,5	Metallurgy
V.D.M. VACCARO DISTRIBUZIONE MERCI S.R.L.	Bari	80,5	Retail Trade
AB SERVICE SRL	Brescia	80,4	Other manufacturing
MONTELLO S.P.A.	Bergamo	80,2	Other services
PRE GEL S.P.A.	Reggio Emilia	80,1	Foods and Beverage
LAEMA SRL	Forlì-Cesena	79,8	Retail Trade
AMER S.P.A.	Vicenza	79,5	Electronics
MISTRAL TOUR INTERNAZIONALE S.R.L.	Torino	79,5	Other services
FERRARONI S.P.A.	Cremona	79,5	Foods and Beverage
CALZATURIFICIO S.C.A.R.P.A. S.P.A.	Treviso	79,3	Fashion
MAINA PANETTONI S.P.A.	Cuneo	78,5	Foods and Beverage
SIRETESSILE S.R.L.	Treviso	77,9	Fashion

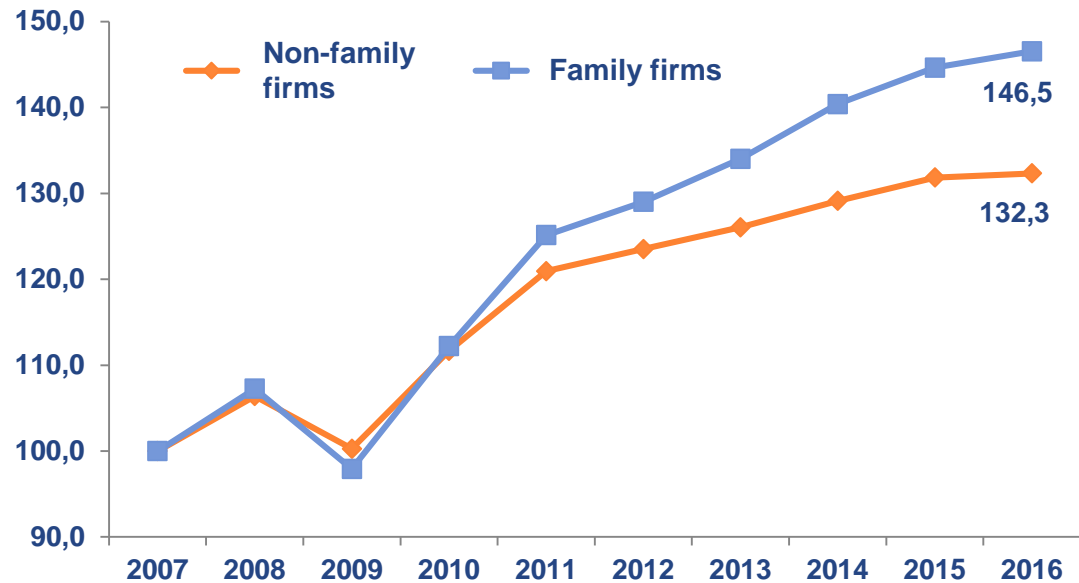
Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
A.C.R. - DI REGGIANI ALBERTINO - S.P.A.	Modena	77,8	Construction
BRUNO FARMACEUTICI S.P.A.	Roma	77,7	Wholesale Trade
CATERLINE - S.P.A.-	Varese	77,0	Wholesale Trade
MISTRAL TOUR INTERNAZIONALE S.R.L.	Torino	79,5	Other services
GRUPPO TECNOFERRARI SPA	Reggio Emilia	76,9	Machinery
TONDINI - SOCIETA' PER AZIONI	Bologna	76,6	Wholesale Trade
SICE PREVIT S.P.A.	Milano	76,3	Construction
FABIANA FILIPPI S.P.A.	Perugia	76,0	Fashion
A & T EUROPE -S.P.A.	Mantova	76,0	Metallurgy
RHEAVENDORS INDUSTRIES S.P.A.	Como	75,9	Machinery
P.M. S.R.L. - PLASTIC MATERIALS	Bergamo	74,2	Rubber and plastic
SUPERBORGO SOCIETA' A RESPONSABILITA' LIMITATA	Parma	72,6	Retail Trade
SISTEMI S.P.A.	Torino	72,3	Business Services
RASELLI FRANCO S.P.A.	Alessandria	71,3	Other manufacturing
GI.LU.PI. S.R.L.	Lecce	71,1	Other services
PEDRALI S.P.A.	Brescia	70,9	Furniture
AGRAS DELIC S.P.A.	Milano	70,8	Wholesale Trade
UNITEC S.P.A.	Ravenna	70,8	Machinery
CENTRO ITALIANO DI VIGILANZA INTERNA E STRADALE S.P.A.	Milano	70,5	Other services
MGT IMMOBILIARE S.R.L.	Milano	70,0	Construction
COL GIOVANNI PAOLO - SOCIETA' PER AZIONI	Torino	69,6	Electronics
PIQUADRO S.P.A.	Bologna	69,3	Fashion
FRIULPESCA - S.R.L.	Udine	68,9	Wholesale Trade
HAUSBRANDT TRIESTE 1892 S.P.A.	Treviso	68,6	Foods and Beverage
CUSTOM S.P.A.	Parma	68,0	Machinery
EVERCOMPOUNDS S.P.A.	Ravenna	67,1	Chemical-Pharma
FIORENTINI ALIMENTARI S.P.A.	Torino	66,9	Wholesale Trade
IMTEC - S.R.L.	Vicenza	66,8	Business Services
EFFEBI S.P.A.	Brescia	66,6	Machinery
BIOFARMA S.P.A.	Udine	66,0	Chemical-Pharma
PIOMBOLEGHE S.R.L.	Monza e della Brianza	65,5	Metallurgy

Company name	Province	Revenues 2015 (mln €)	Industry (Ateco Code)
PINTI-INOX S.P.A.	Brescia	65,5	Metallurgy
IGNAS TOUR S.P.A.	Bolzano	65,3	Other services
GUNA S.P.A.	Milano	65,0	Wholesale Trade
TEXA S.P.A.	Treviso	64,0	Means of transport
F.I.OR - FABBRICA ITALIANA OREFICERIA - S.P.A.	Arezzo	63,8	Other manufacturing
SET SOCIETA' EUROPA TESSILE SOCIETA' PER AZIONI	Roma	63,8	Fashion
SOCIETA' AGRICOLA GOBBI FRATTINI S.R.L.	Brescia	63,2	Foods and Beverage
FLAME SPRAY S.P.A.	Milano	63,2	Metallurgy
SWEDEN & MARTINA S.P.A.	Padova	62,5	Other manufacturing
OPOCRIN S.P.A.	Modena	62,2	Chemical-Pharma
TECNOLOGIE SANITARIE - S.P.A.	Roma	61,7	Other manufacturing
S.P.A.M.I. S.R.L.	Padova	61,7	Machinery
ARPER S.P.A.	Treviso	61,5	Furniture
ZACOBİ S.P.A.	Parma	61,1	Wholesale Trade
TECNO GI S.P.A.	Novara	60,2	Chemical-Pharma
FRESYSTEM S.P.A.	Napoli	60,0	Foods and Beverage
CALZIFICIO TREVER S.P.A.	Verona	59,5	Fashion
JAPANPARTS S.R.L.	Verona	59,5	Vehicles
GE.CA LEGUMI SOCIETA' PER AZIONI	Napoli	59,4	Wholesale Trade
RESCHEM ITALIA SPA	Milano	57,1	Wholesale Trade
PERONI POMPE S.P.A.	Milano	56,0	Metallurgy
FEDEGARI AUTOCLAVI - S.P.A.	Pavia	55,5	Machinery
LEGOR GROUP S.P.A.	Vicenza	54,6	Metallurgy
INTERTRACO (ITALIA) S.P.A.	Mantova	54,5	Wholesale Trade
FERROTRAMVIARIA S.P.A.	Roma	53,1	Transport and logistics
DICAL SRL	Reggio Calabria	52,5	Wholesale Trade
M.G. LAVORAZIONE MATERIE PLASTICHE S.P.A.	Vicenza	52,4	Rubber and plastic
SERVIZIO INTERN. IMBALLAGGI TERMOSALDANTI	Milano	52,0	Foods and Beverage
ARGOMM - S.P.A.	Bergamo	51,7	Rubber and plastic
L'APROCHIMIDE S.R.L.	Monza e della Brianza	50,3	Wholesale Trade
NUOVA PADANA MANGIMI S.R.L.	Mantova	50,1	Foods and Beverage

Appendix 2. Performance by size



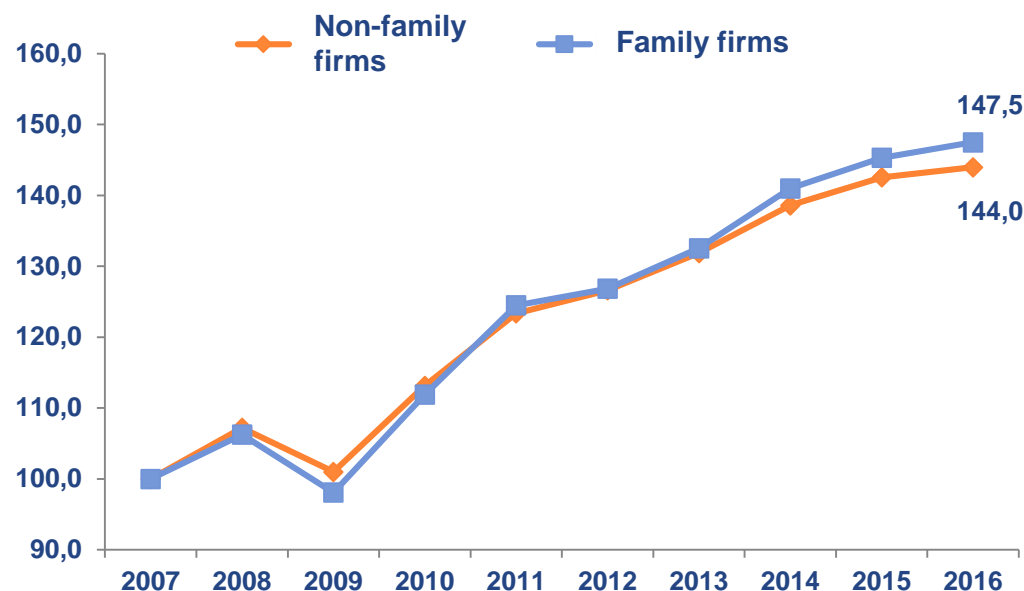
Family businesses of medium and large size have grown more than non-family ones



Non-Family firms (>50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Coalitions	100,0	109,7	105,1	119,9	131,7	137,1	140,2	144,4	146,4	145,8
Cooperatives and Consortia	100,0	112,1	112,1	120,9	129,4	133,8	138,3	138,4	139,9	138,3
Controlled by Investment Funds/ PE	100,0	100,8	96,3	107,2	119,3	122,3	123,3	128,9	134,2	133,8
Branches of foreign companies	100,0	104,3	95,1	106,5	115,6	116,7	118,3	122,2	125,4	127,1
State/Local authorities	100,0	109,4	114,4	122,7	127,1	131,0	136,0	130,6	128,1	124,6

(*) Cumulative growth on a 100 basis (2007), calculated on sales revenues (Source: Aida). The cumulative growth of non-family companies is a weighted average of the growth rates of firms with non-family ownership structures.

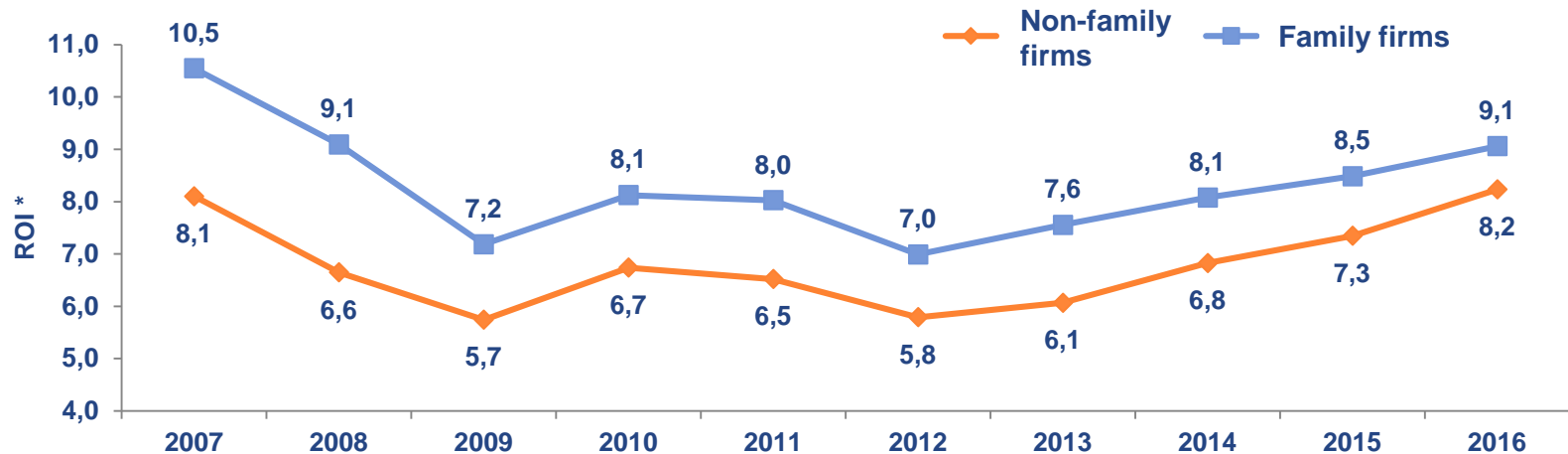
Small family businesses recorded growth rates in line with non-family ones



Non-Family firms (20-50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Controlled by Investment Funds/ PE	100,0	100,9	93,8	111,6	119,3	124,1	130,6	143,0	152,1	159,3
Cooperatives and Consortia	100,0	109,9	111,5	120,5	133,9	141,4	148,9	156,6	158,6	157,1
Coalitions	100,0	107,3	101,4	116,3	126,5	128,8	136,0	143,5	148,6	147,9
Branches of foreign companies	100,0	106,0	95,6	108,6	118,7	120,4	124,6	130,7	135,1	138,3
State/Local authorities	100,0	110,1	113,3	117,2	122,2	128,8	130,5	132,6	132,4	132,8

(*) Cumulative growth on a 100 basis (2007), calculated on sales revenues (Source: Aida). The cumulative growth of non-family businesses is a weighted average of the growth rates of companies with non-family ownership structures.

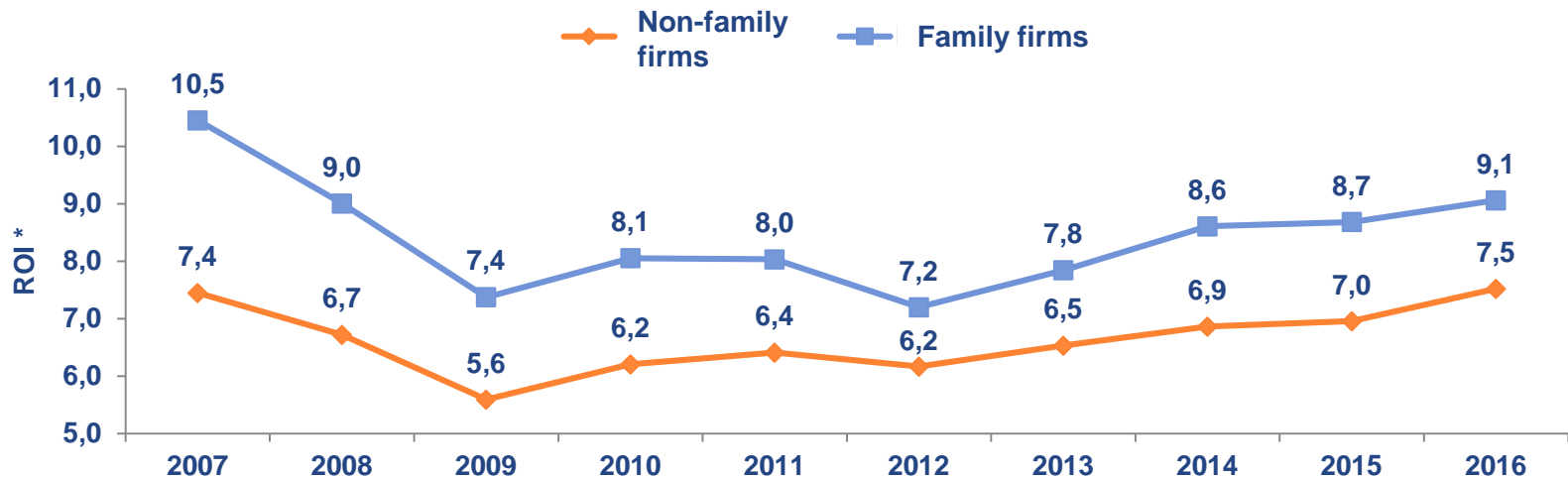
Family businesses of medium and large size continue to maintain a positive gap in operating profitability ...



Non-Family firms (>50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Branches of foreign companies	9,2	7,1	5,9	7,5	7,3	6,8	6,9	7,9	8,8	9,7
State/Local authorities	5,5	5,0	6,2	6,4	5,7	4,3	5,7	6,8	5,5	7,8
Coalitions	8,9	8,1	6,8	7,9	7,1	6,2	6,2	6,9	7,3	7,7
Controlled by Investment Funds/ PE	6,6	7,1	4,7	4,9	4,6	4,2	5,0	6,0	6,0	7,5
Cooperatives and Consortia	5,7	4,7	4,2	3,7	3,8	3,0	3,1	3,5	3,2	3,3

(*) ROI: Net Operating / Net Income (Source: Aida). The profitability of non-family companies is a weighted average of the growth rates of companies with non-family ownership structures.

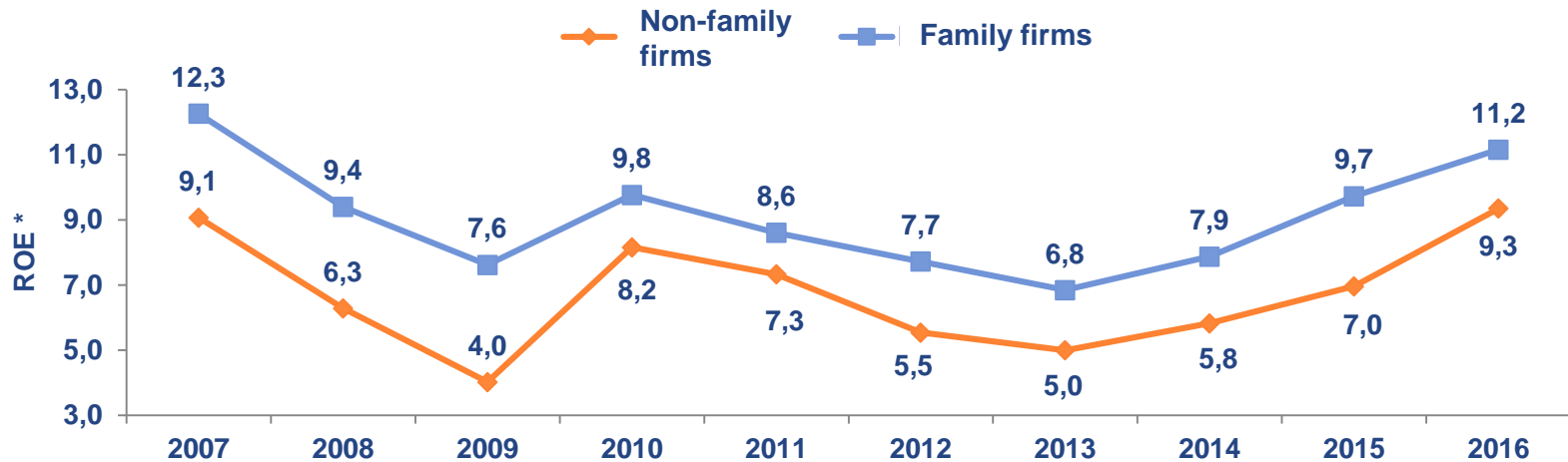
... and the same also happens in the small companies



Non-Family firms (20-50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Branches of foreign companies	8,6	7,8	6,1	7,2	7,4	7,6	8,2	8,0	8,2	9,2
Coalitions	9,0	7,7	6,2	7,0	6,8	5,7	6,1	7,1	7,4	7,7
State/Local authorities	3,9	4,6	4,1	4,4	4,8	4,4	5,4	6,3	7,2	7,7
Controlled by Investment Funds/ PE	8,1	4,6	4,3	7,8	6,8	4,8	3,3	5,4	5,1	7,6
Cooperatives and Consortia	5,5	4,6	4,5	4,0	4,6	4,3	4,5	4,6	4,1	4,1

(*) ROI: Net Operating / Net Income (Source: Aida). The profitability of non-family companies is a weighted average of the growth rates of companies with non-family ownership structures.

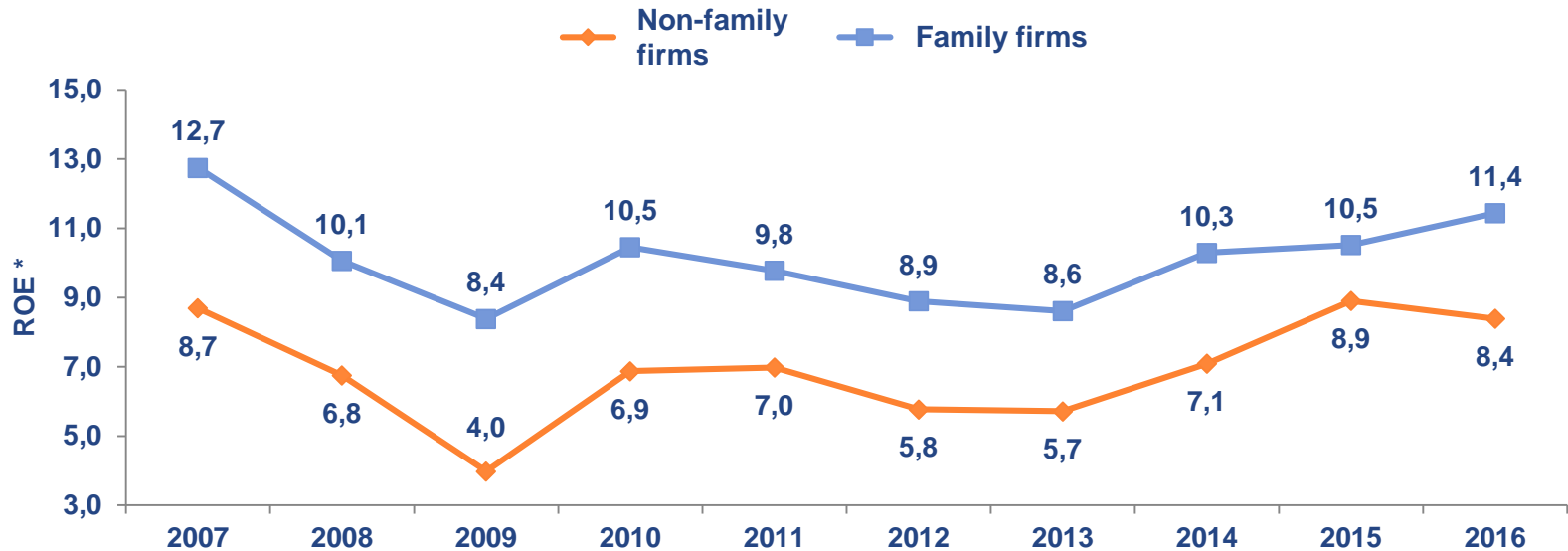
The positive gap in net profitability remains in favor of medium and large family businesses ...



Non-Family firms (>50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Branches of foreign companies	9,8	5,9	3,3	9,0	8,5	6,8	6,1	6,6	8,6	10,8
Coalitions	13,9	12,1	9,2	10,4	8,6	6,5	5,2	7,2	5,9	9,8
Controlled by Investment Funds/ PE	1,9	1,1	-6,9	1,7	1,0	-3,3	-0,8	1,8	3,6	9,5
State/Local authorities	4,4	5,1	5,1	6,5	1,7	2,5	4,2	4,9	5,5	6,5
Cooperatives and Consortia	5,1	3,9	4,6	4,9	5,4	1,5	1,1	2,1	1,0	2,7

(*) ROE: Net Income / Equity (Source: Aida). The profitability of non-family companies is a weighted average of the growth rates of firms with non-family ownership structures.

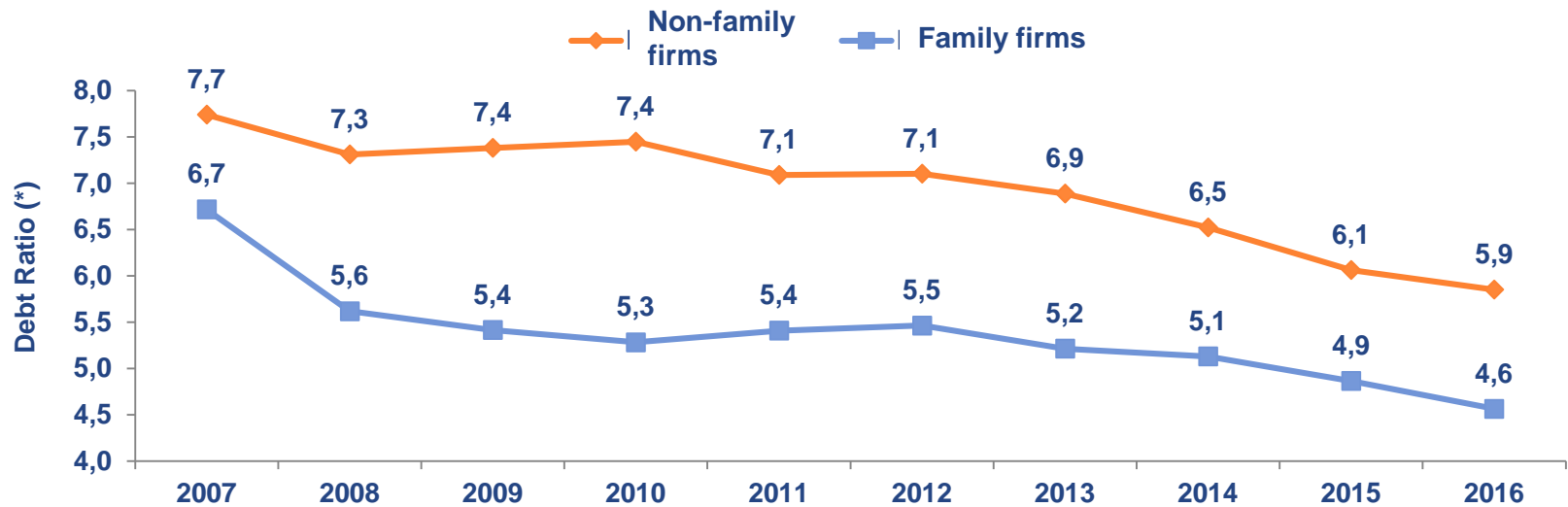
... and also in small companies



Non-Family firms (20-50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
State/Local authorities	0,2	3,3	2,6	3,2	4,1	4,4	4,7	3,0	9,8	10,5
Branches of foreign companies	9,5	7,3	3,1	7,1	7,0	6,2	6,4	7,9	10,3	10,2
Coalitions	13,4	10,6	7,5	10,7	9,0	7,6	6,7	8,7	8,2	8,1
Controlled by Investment Funds/ PE	8,1	6,0	-3,6	4,2	6,2	-1,2	-1,2	2,4	5,3	6,7
Cooperatives and Consortia	4,8	2,4	3,9	4,6	6,0	3,7	4,4	4,5	5,6	3,1

(*) ROE: Net Income / Equity (Source: Aida). The profitability of non-family companies is a weighted average of the growth rates of firms with non-family ownership structures.

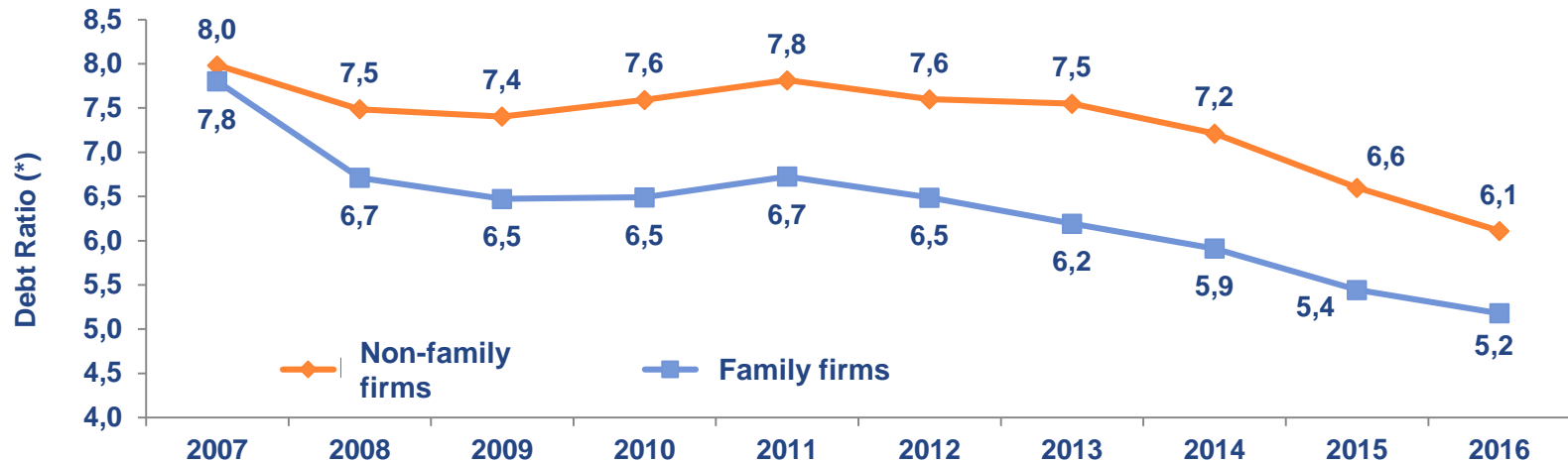
Also in 2016 the reduction in the level of debt continues in both family businesses and non-family ones



Non-Family firms (>50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cooperatives and Consortia	11,3	10,0	10,9	10,8	10,1	10,5	10,5	11,1	10,0	9,8
Controlled by Investment Funds/ PE	8,3	7,9	7,8	7,3	6,0	6,7	6,4	7,1	5,8	7,0
State/Local authorities	8,1	8,5	8,0	7,5	7,4	7,5	7,9	7,3	5,8	6,3
Coalitions	8,4	7,0	7,0	7,0	7,0	6,4	6,4	5,9	6,1	5,6
Branches of foreign companies	6,8	6,7	6,7	6,8	6,5	6,6	6,2	5,6	5,4	5,1

(*) Debt Ratio = Total Assets / Equity (Source: Aida). The debt ratio of non-family companies is a weighted average of companies with non-family ownership structures.

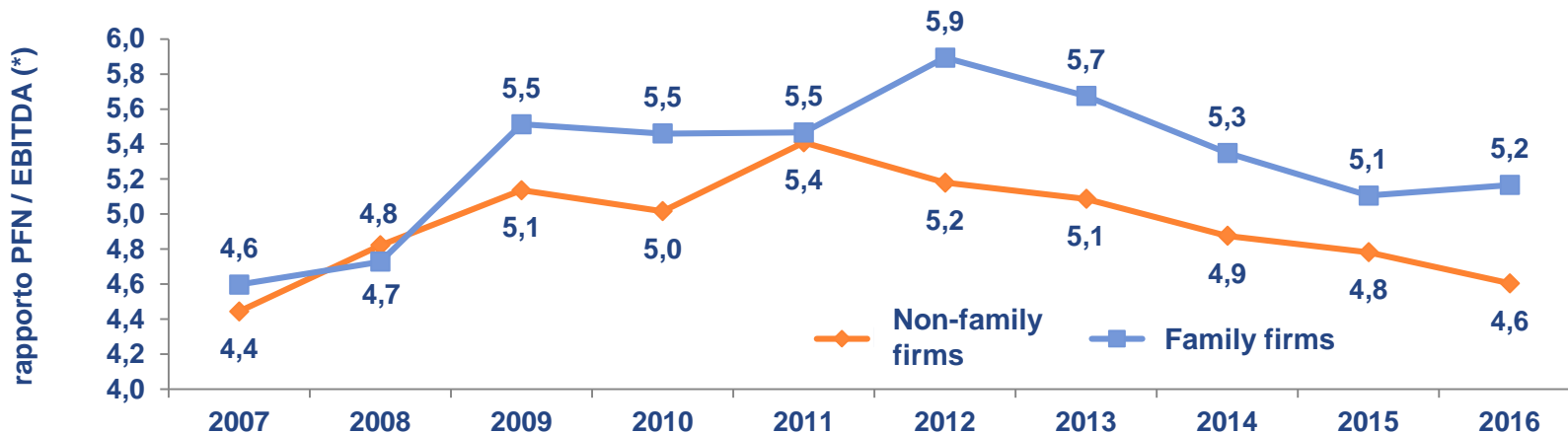
In small companies the level of debt is - on average - higher by 0.7-0.8 points compared to large ones, but there remains a gap in favor of family businesses



Non-Family firms (20-50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cooperatives and Consortia	11,7	10,8	11,6	11,7	12,2	12,7	12,2	12,2	10,9	10,5
Coalitions	7,2	6,5	6,0	6,1	6,5	6,3	6,6	6,7	6,3	5,9
State/Local authorities	7,2	8,5	8,5	7,5	7,5	7,9	7,6	7,0	6,5	5,4
Controlled by Investment Funds/ PE	6,7	7,6	6,6	7,5	7,7	7,2	8,6	6,6	6,2	5,4
Branches of foreign companies	7,2	6,6	6,4	6,6	6,8	6,2	6,2	5,8	5,4	4,8

(*) Debt Ratio = Total Assets / Equity (Source: Aida). The debt ratio of non-family companies is a weighted average of companies with non-family ownership structures.

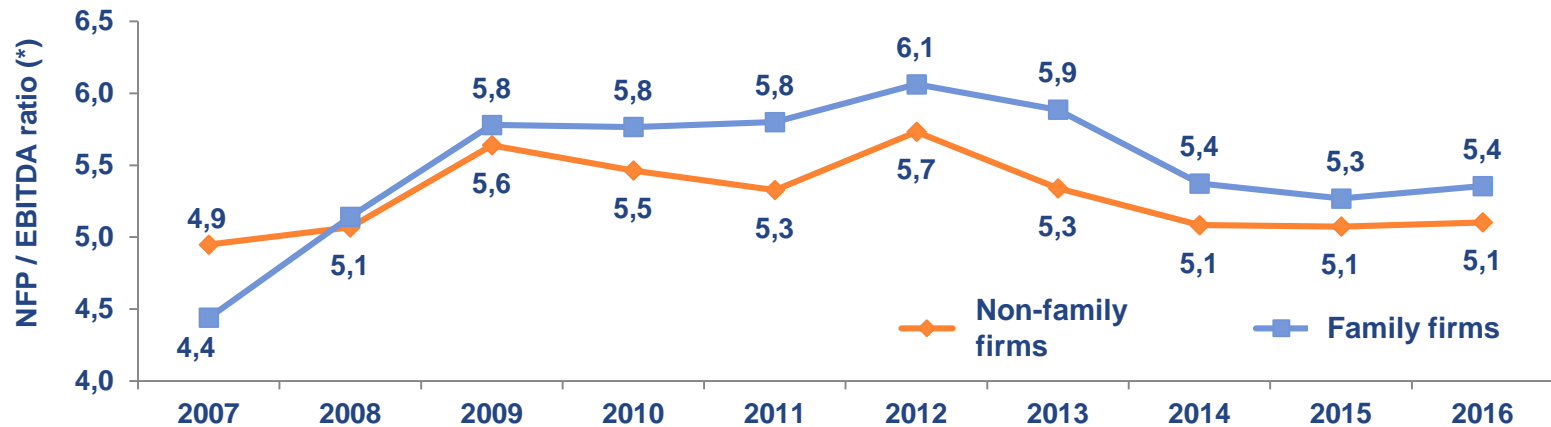
Starting in 2012, there is a gap between family and non-family businesses in terms of capability to repay debt



Non-Family firms (>50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cooperatives and Consortia	7,5	7,4	6,9	8,7	9,3	8,9	8,1	8,4	9,4	9,0
Coalitions	4,5	4,7	5,6	4,8	5,1	5,9	5,8	5,0	4,8	5,3
Controlled by Investment Funds/ PE	5,0	7,6	6,9	5,6	6,0	4,8	5,1	3,8	3,0	5,1
State/Local authorities	4,3	4,8	5,3	5,7	4,9	4,7	3,6	3,7	3,9	3,7
Branches of foreign companies	3,4	3,8	4,0	3,5	4,1	3,7	4,0	3,8	3,3	2,3

(*) The calculation basis consists only of companies with both NFP and EBITDA positive values (Source: Aida). The NFP / EBITDA ratio of non-family companies is a weighted average of companies with non-family ownership structures.

In smaller companies, the gap between family and non-family businesses is much lower in terms of capability to repay debt



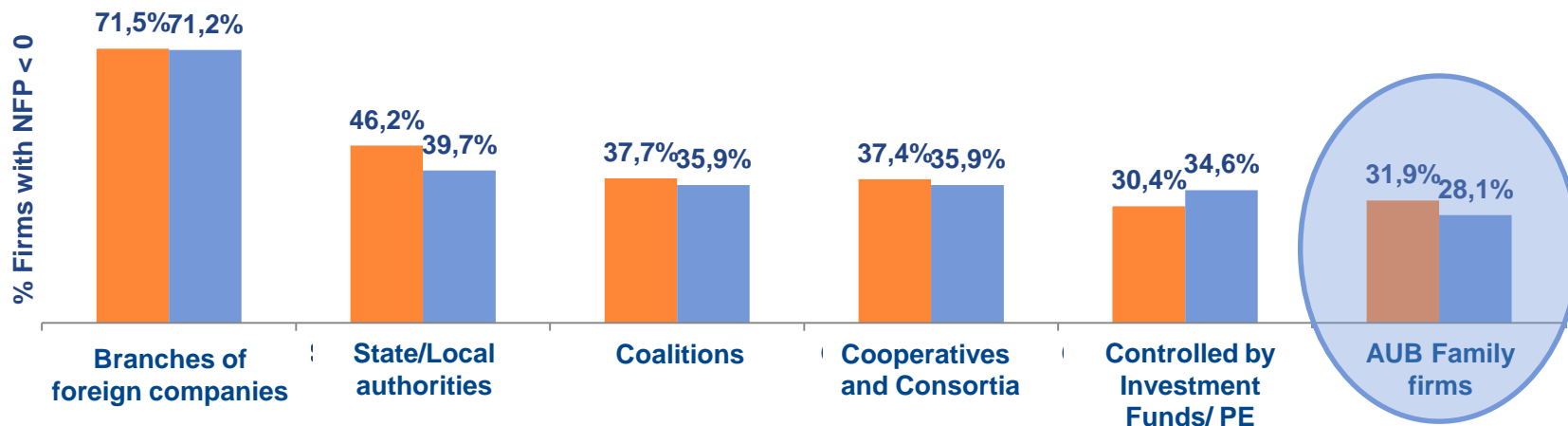
Non-Family firms (20-50)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cooperatives and Consortia	5,9	6,8	6,6	7,0	6,1	7,5	7,3	7,0	6,7	6,7
Coalitions	4,2	5,3	5,9	5,9	6,0	5,9	6,3	4,9	5,3	5,2
Branches of foreign companies	4,7	4,3	5,3	4,6	4,5	4,7	3,7	4,5	4,3	4,3
Controlled by Investment Funds/ PE	6,1	4,6	8,3	5,5	6,7	3,7	5,7	3,0	2,9	3,2
State/Local authorities	4,7	4,0	3,5	3,9	4,4	4,7	3,7	3,2	3,1	2,9

(*) The calculation basis consists only of companies with both NFP and EBITDA positive values (Source: Aida). The NFP / EBITDA ratio of non-family companies is a weighted average of companies with non-family ownership structures.

Companies with excess liquidity and negative EBITDA

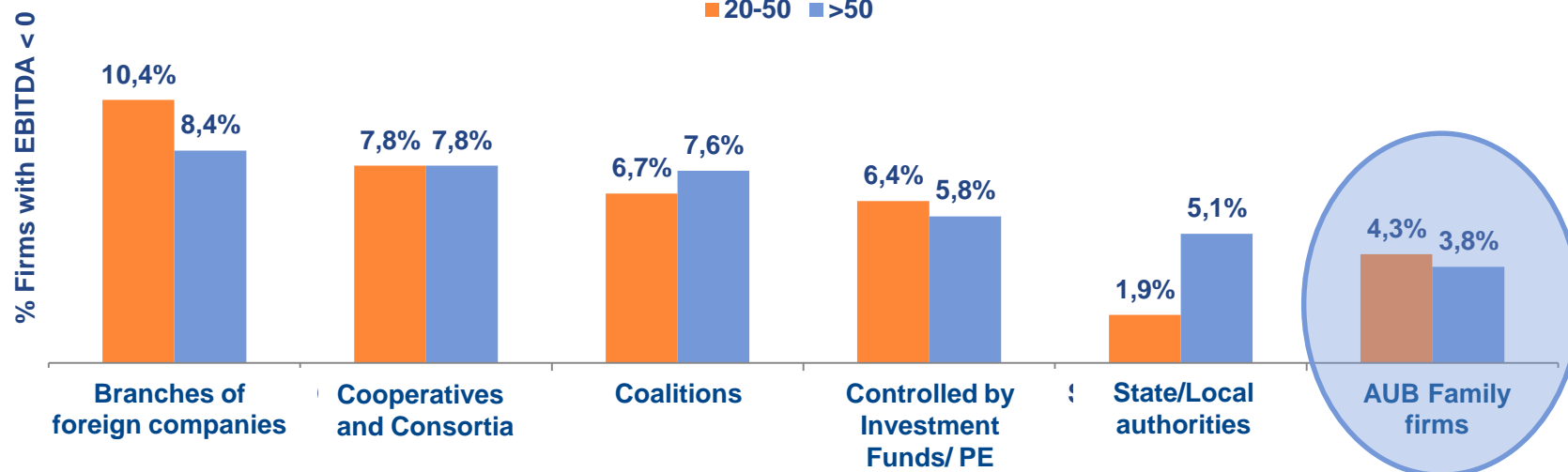
Firms with excess liquidity

■ 20-50 ■ >50



Firms with negative EBITDA

■ 20-50 ■ >50

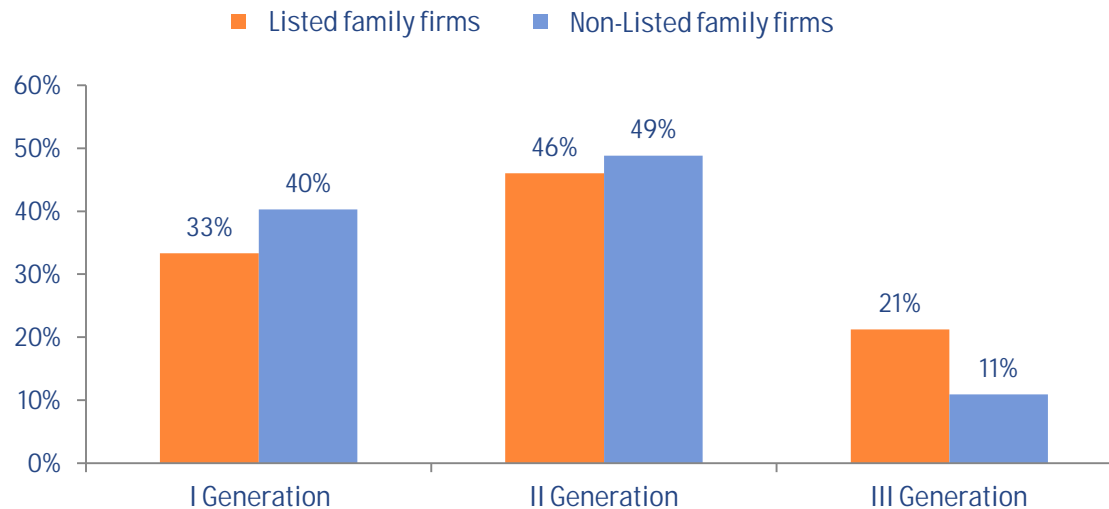
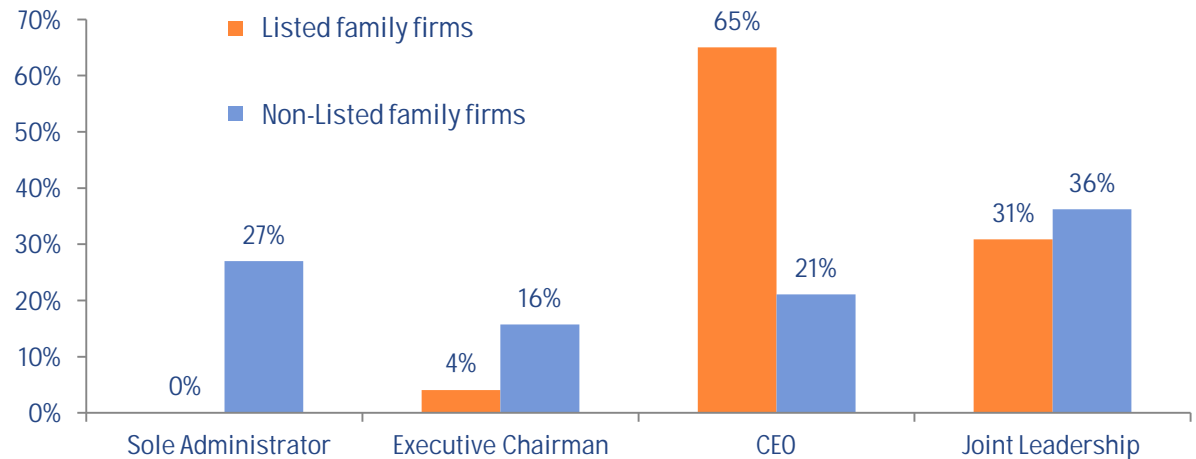


Bocconi

Appendix 3. Listed companies

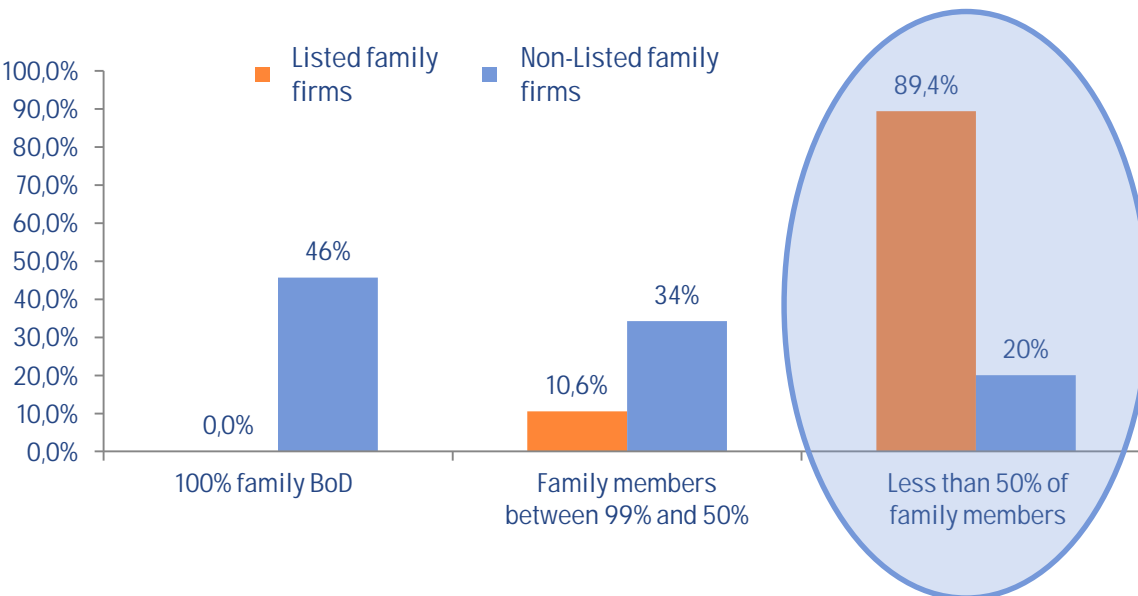
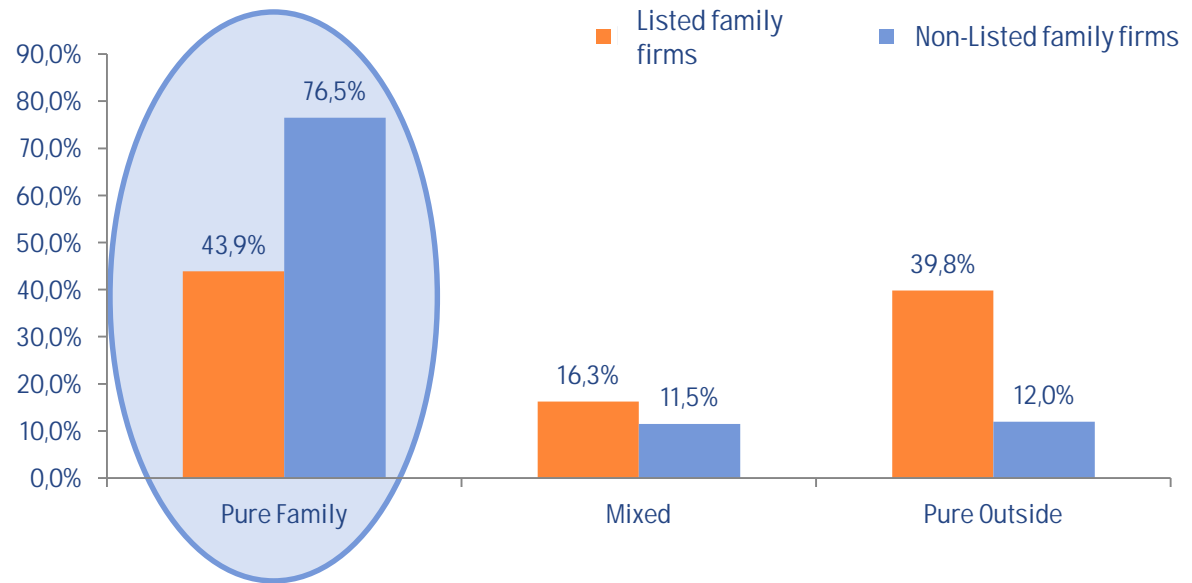


Listed family members have more structured leadership models ...



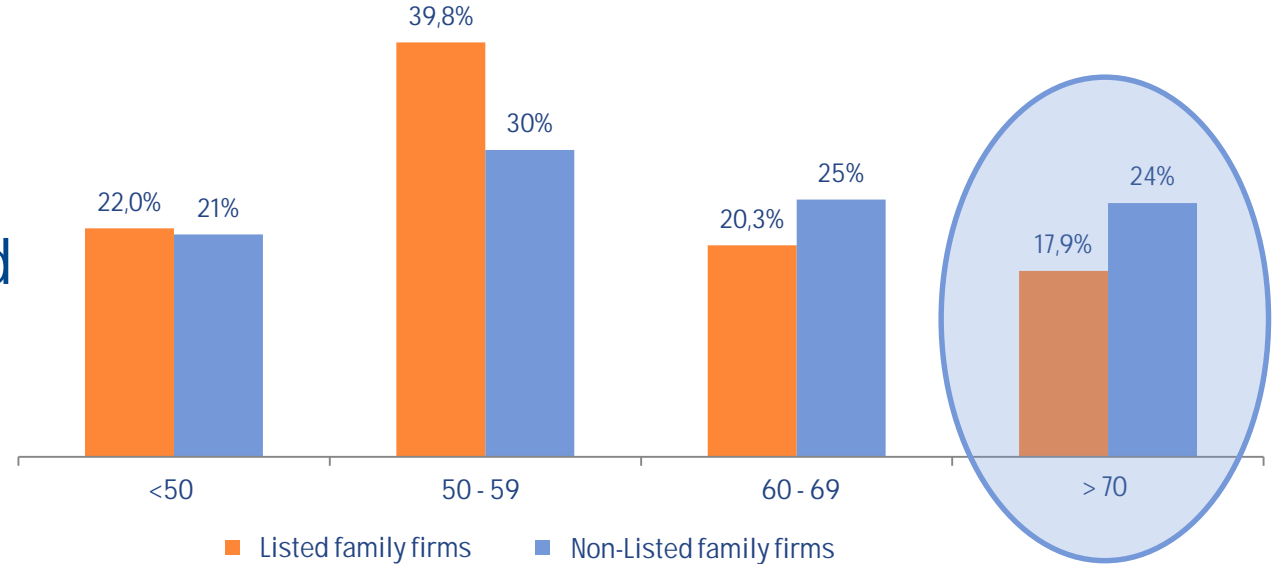
... and a larger share of these companies is in third generation

Less than 50% of listed companies are led by a family leader ...

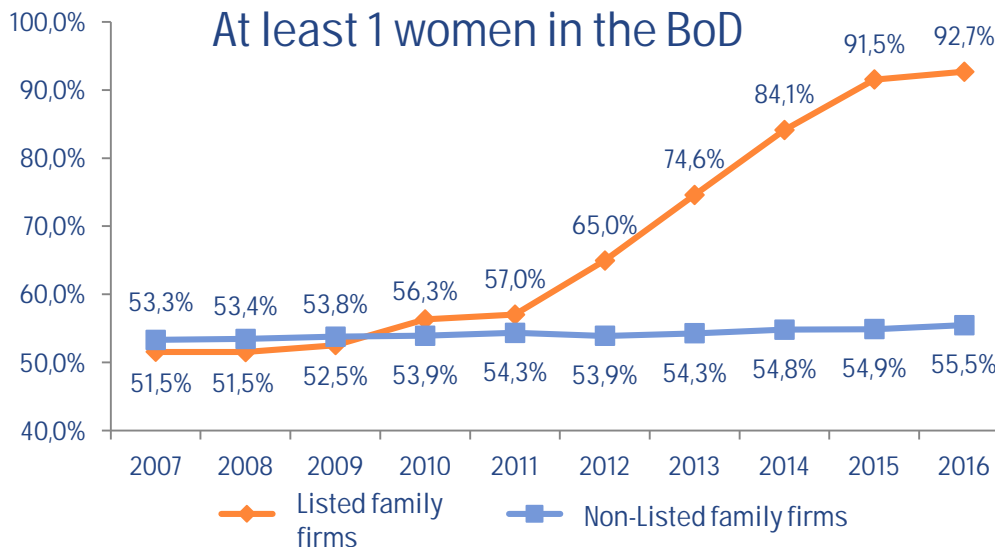


... and almost all of them have a board composed mostly of non-family members

A lower percentage of listed companies is led by leaders with more than 70 years



At least 1 women in the BoD



Almost all listed family businesses have at least 1 woman in the BoD at the end of 2016