

PRESS RELEASE

INTESA SANPAOLO: CHALLENGES AND OPPORTUNITIES FOR THE AUTOMOTIVE SUPPLY CHAIN

- **Institutions, associations, companies and finance meet to outline the current trends in the automotive sector and offer ideas for building winning strategies.**
- **At the heart of the debate were the possible effects of the European pushes towards electrification, the necessary green and technological transition and the role of the supply chain.**
- **A survey conducted by Intesa Sanpaolo shows that almost 70% of the companies surveyed have a research and development centre and that there are strong ties between company size and the amount of investment in this area.**
- **Mauro Micillo, Chief of IMI Corporate & Investment Banking Division of Intesa Sanpaolo: *“A constructive dialogue between all sector companies and institutions is essential to supporting a long-term, strategic recovery programme focused on sustainability, technological innovation, product specialisation and size growth”.***

Milan, 30 June 2022 – The Automotive sector is undergoing a profound transformation, also in light of recent demands from European institutions regarding electric cars. Inevitably, the automotive sector faces an overhaul of its traditional business model, structural changes in investments and an acceleration of the growth of scale for all the companies in the supply chain.

Representatives of institutions, associations, companies and the world of finance discussed the matter today in Milan at the event **“Transformation and sustainability: challenges and opportunities for the automotive supply chain”**, organised by **Intesa Sanpaolo IMI Corporate & Investment Banking Division**.

Mauro Micillo, Chief of Intesa Sanpaolo IMI CIB Division, commented: *“Through this initiative, our Group confirms that it not only supports the economy, but that it intends to play an active role in anticipating the major structural and technological changes in the automotive industry by supporting consolidation and development plans for the entire production chain.*

In this context, a constructive dialogue between all sector companies and institutions is essential to supporting a long-term, strategic recovery programme focused on sustainability, technological innovation, product specialisation and size growth. The Automotive sector has always represented a technological gem and an essential element of the Italian economy and I am certain that, thanks to its excellent entrepreneurial skills, it will continue to be an integral part of the strategic industrial fabric of Italy and Europe”.

Automotive sector figures show how strategic the sector is for the European economy: 8% of the European Union's GDP is represented by revenues generated by the automotive sector; 11.5% of the manufacturing workforce and as much as 6.6% of the total workforce in Europe is involved in the sector¹.

The entire automotive ecosystem is undergoing an epochal transformation driven by several factors, including changing consumer preferences, the legislative push towards long-term sustainability models, technological evolution towards green drive models, increasing digitalisation and new developments in international supply chains.

In order to compete in this context, **structural changes in investment** will be needed in favour of the **ESG transition**, smart mobility and **growth of scale** for all the companies in the supply chain, through a profound **overhaul of the traditional business model**, as well as forms of consolidation to achieve critical mass.

In the light of this scenario, Intesa Sanpaolo IMI Corporate & Investment Banking Division has chosen to dedicate a day to facilitating the debate on current trends, discussing the role and relationship between the various players in the supply chain, reflecting on the incentives that can help the Italian automotive system and offering ideas that can enable companies in the supply chain to remain competitive. The proceedings were opened by **Mauro Micillo**, Chief of IMI Corporate & Investment Banking Division of Intesa Sanpaolo, and by an institutional address by **Gilberto Pichetto Fratin**, Deputy Minister of Economic Development. The event was also attended by: **Dario Duse**, Managing Director of Alix Partners; **Marco Arduini**, CEO of EuroGroup Laminations; **Marco Bonometti**, Chairman and CEO of OMR; **Virgilio Cerutti**, Head of Business Development Global Coordination of Stellantis; **Paolo Scudieri**, Chairman of ANFIA; and **Roberto Vavassori**, Board Member of CLEPA and Board Member of Brembo.

¹ Source: ACEA (March 2022)

There were also several speakers from the Intesa Sanpaolo Group: **Massimo Mocio**, Deputy Chief of the IMI CIB Division; **Gregorio De Felice**, Chief Economist; **Anna Roscio**, Head of Business Sales & Marketing of the Intesa Sanpaolo Banca dei Territori Division; **Fabio Matti**, Head of Industry Automotive & Industrials of the IMI CIB Division; and **Erica Abisso**, Senior Corporate Banker, Global Strategic Coverage of the IMI CIB Division.

At the event, Intesa Sanpaolo **Research Department** also presented the results of an ad hoc survey carried out between March and June of this year. A total of 126 companies specialised in the Italian automotive supply chain were interviewed, mainly in the medium and large categories, with a total turnover of around €15 billion in 2021.

The companies involved show a good diversification of production and a high propensity to innovate: 69% of them have a research and development centre, with peaks of 78% among the largest companies.

Technology providers and universities could become the main partners of the companies in the sector: in fact, they were mentioned as potential partners by 61% and 54% of the companies surveyed, respectively.

Almost nine out of ten companies consider the ongoing technology transition in the sector as an opportunity. However, significant R&D investments are needed and there are still strong ties between company size and innovation projects.

Intesa Sanpaolo has always been an accelerator of growth of Italy's real economy. In support of the National Recovery and Resilience Plan (NRRP), the Group has made more than €400 billion of medium-to-long-term financing available to companies and households.

In the ESG area, the Group is committed to supporting the transition to a low-emission economy, including by supporting *green* initiatives and projects for its customers with dedicated financing and the development of a credit facility dedicated to the *Circular Economy*.

The **IMI Corporate & Investment Banking Division** (IMI CIB) remains committed to sustainability, promoting innovative financial solutions that meet the growing need for products increasingly in line with ESG principles.

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About Intesa Sanpaolo

Intesa Sanpaolo is Italy's leading banking group – serving families, businesses and the real economy – with a significant international presence. Intesa Sanpaolo's distinctive business model makes it a European leader in Wealth Management, Protection & Advisory, highly focused on digital and fintech. An efficient and resilient Bank, it benefits from its wholly-owned product factories in asset management and insurance. The Group's strong ESG commitment includes providing €115 billion in impact lending by 2025 to communities and for the green transition, and €500 million in contributions to support people most in need, positioning Intesa Sanpaolo as a world leader in terms of social impact. Intesa Sanpaolo is committed to Net Zero by 2030 for its own emissions and by 2050 for its loan and investment portfolios. An engaged patron of Italian culture, Intesa Sanpaolo has created its own network of museums, the *Gallerie d'Italia*, to host the bank's artistic heritage and as a venue for prestigious cultural projects.

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