

Epta

Acquisitions and global expansion for Italian refrigeration giant

Italy's manufacturing sector has continued to see strong growth, with the IHS Markit Purchasing Managers' Index (PMI) for Italian manufacturing rising from 59.7 in September to 61.1 in October, to signal a sixteenth straight monthly improvement in the health of the sector.

Meanwhile, the global commercial refrigeration equipment market is expected to grow to \$76.6 billion by 2025, up from around \$59.2 billion in 2020. This is good news for companies like Italy's Epta, which specialises in commercial refrigeration systems.

Epta currently produces around 230,000 units a year, with revenue of €908 million in 2020, 11 production facilities and sales offices in more than 40 countries. "Today we're one of the leaders in Europe. We want to consolidate this across every European country, as well as in Asia and Americas" says Marco Nocivelli, chief executive officer of Epta.

In 1986, Nocivelli's father, Luigi, acquired a company that was, at the time, one of the market leaders for commercial refrigeration in Italy, with a turnover of around €70 million. The family later acquired other companies in this sector, and in 2003 founded Epta to combine all of these entities. Today, Epta, headquartered in Milan, includes the brands Costan, Bonnet Névé, Eurocryor, Misa, Iarp and Kysor Warren, and has more than 6,000 employees. Its core business remains producing complete systems for commercial refrigeration, like those in supermarkets.

At the time of the generational change, in the early 2000s, the company had grown to revenue of nearly €400 million, but it was still very much a mid-sized company. "The financial situation was really difficult and we started rebuilding the team," says Nocivelli. "This allowed us to restart on a path that was half internal growth, half acquisitions."

About every two years since 2007 the company has completed further acquisitions, and in 2013 Epta joined with another family business to enter the food and beverage sector, with refrigerated cabinets for food and drinks.

In 2019 Epta also formally entered the United States, buying the third-largest player on the market, Kysor Warren. "We have ambition to grow in the USA with the same approach that we have applied in Europe: internal growth and acquisitions," says Nocivelli.

The company is pushing growth across all of its existing markets and in the last few months has finalized two additional acquisitions in Chile and Finland.



Marco Nocivelli
CEO - Epta

Today, Epta has external auditors and independent board members, as well as risk and remuneration committees, creating a more transparent business. The company ranked among Deloitte's Best Managed Companies in Italy in 2019, 2020 and 2021.

Epta also joined the ELITE program offered by the Italian Stock Exchange and London Stock Exchange Group in 2014, to better understand the language of investors. "The idea of opening the capital to investors, or an IPO, has been in our minds since 2013. When a good moment and opportunity arises we will be prepared," says Nocivelli.

"For me, being open to investment is something important," he adds. "Investors are good because they keep you on your toes and make you want to be better."

"The Group's Development Plan includes a growth in dimensions both for the internal and external lines," says Nocivelli "The refrigeration market is quite resilient and is showing interesting growth rates

driven by the latest digital trends and by a strong commitment emerging from the Green Deal. The path towards a more sustainable and natural refrigeration is set. One of our guiding principles is sustainable innovation: we have it in our DNA." For Epta, sustainable innovation is a legacy of values, experiences and technological ethics that guide its activities every day.

Over the past three years Epta has invested €118 million in technology and innovation. The company has around 200 engineers working in R&D involved in studying technologies such as CO2 refrigeration systems, in order to contribute to the reduction of the environmental footprint of the refrigeration sector. "The impact of a solution with CO2 as a refrigerant is 4,000 times lower compared to systems with chemical refrigerants," says Nocivelli. "We are able to offer these systems everywhere in the world and we are proud that the European Community believed in our project and co-financed it under the Life Programme."

In 2021, Epta was one of the 10 Italian companies recognized as Europe's Climate Leaders, and was also awarded the title of Italian Sustainability Leader.

Nocivelli says that sustainable innovation has to be done as part of a larger community, with Epta contributing to setting up schools and courses for refrigeration and partnering with start-ups and universities.

He also highlights the multinational aspect of the company today. "We're happy to be able to include people from every nationality in our organization. We strongly believe in the union of good ideas and cooperation amongst different people, that makes a product better. When we see passion in the eyes of people as they look at our products it makes us very proud."

At the same time, Nocivelli believes that the image of Italy abroad can be further improved through the handwork of its citizens. "In reality, all throughout Italy there are good and hardworking people doing great things."



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