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CRIF INDUSTRY WATCH

A monthly edition on Data, Risk and Economic Insights

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Analysis and Studies

CRIF Italy: Companies in Italy during Covid-19 - focus on Biomedical Industry



A recent study produced by CRIF Ratings about financial impact coming from lockdown related to Covid-19 on Italian industries shows that 44% of SME is facing current scenario starting from a an overall situation with a poor liquidity with few rooms in dealing an emergency situation. In particular, specifically in cyclical industries, current crisis could have a very high impact.

From CRIF Industry Outlook, CRIF Monitoring center analyzing main industries before, during and after Covid-19, some industries are showing a totally different scenario and against trends. This is the case of Biomedical area.

Biomedical industry in Cura Italia Decree

On March 18, 2020, the Italian Government enacted a new decree with measures to support businesses and families during the Covid-19 crisis called Cura Italia Decree. Then Economic Development Ministry, Stefano Patuanelli, issued a directive allocating 430 million euros in 'Cura Italia Decree' related to Development Contracts to innovative and strategic programs financing, with a priority for medical devices and biomedical equipment useful to face health emergency caused by Covid-19. This resources are added to 200 million euros already included in Budget Law, achieving an overall amount of more than 600 million euros.

Resources assigned to Development Contracts are also intended to a 200 million euros financing expansion to biomedical industry, telemedicine, with a specific focus on ones related to strengthening of national manufacturing of medical devices and biomedical equipment, technologies and services devotes to health emergencies prevention.



Biomedical industry overview and performances

Biomedical industry in composed by 3,800 corporate companies with a total revenue of 19 billion euro and in this period will be less affected by the overall Covid-19 crisis. This fact despite companies in biomedical are located in most involved areas by Covid-19, like Lombardia, Veneto and Emilia-Romagna.

This is why, first of all thanks the huge increase in demand related to specific biomedical equipment due to health emergency. Then, before Covid-19 crisis biomedical industry was showing a strong financial scenario.

Let's have a look to some interesting ratios:

- **EBITDA margin** - measure of a company's operating profit as a percentage of its revenue – is higher if compared to other industries. Last information related to 2018 balance sheet are showing:
Biomedical manufacturing: 9.6%, Overall manufacturing: 9.1%, Trade: 4.3%
If compared to Trade, for example, it's double.
- **Solvency Ratios** - measure an enterprise's ability to meet its debt obligations and is used often by prospective business lenders – in Biomedical industry is showing a high capacity in face financial commitments if compared to other areas also during economic stress.
- **Internationalization** – a new index showing a company propensity to deal with foreign players – on a scale from 1 to 5 (1 highest level and 5 lowest level) is positioning Biomedical industry at 1.8, it means a very high internationalization level.
- **Innovation** – a new index showing company attitude in creating new products and services on a scale from 1 to 5 (1 highest level and 5 lowest level) is positioning Biomedical industry at 2.3, it means a medium-high innovation level.

Internationalization and innovation index are showing very important data, in a context where companies are working to expand their business. It's a very good opportunity for companies in Biomedical Industry if compared to other manufacturing areas. In fact in the next months should remain in a "safe area" able to match financial commitments in an overall context from economical and operational point of view comparable or better previous to Covid-19 crisis.

Import-Export Snapshot

Hungary



Hungary is the 35th largest export economy in the world.

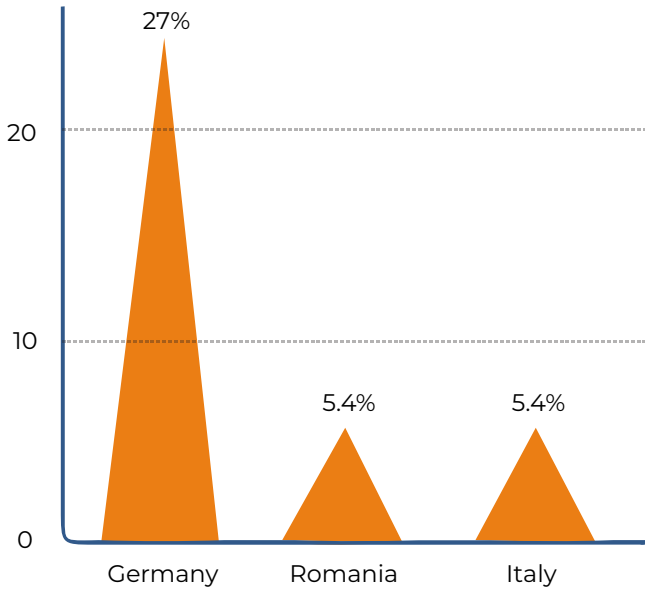
In 2017, Hungary exported \$107B and imported \$97.1B, with a positive trade balance of \$10.3B.

In 2017 the GDP of Hungary was \$139B and in the world and GDP per capita was \$28.1K, 53rd in the world.

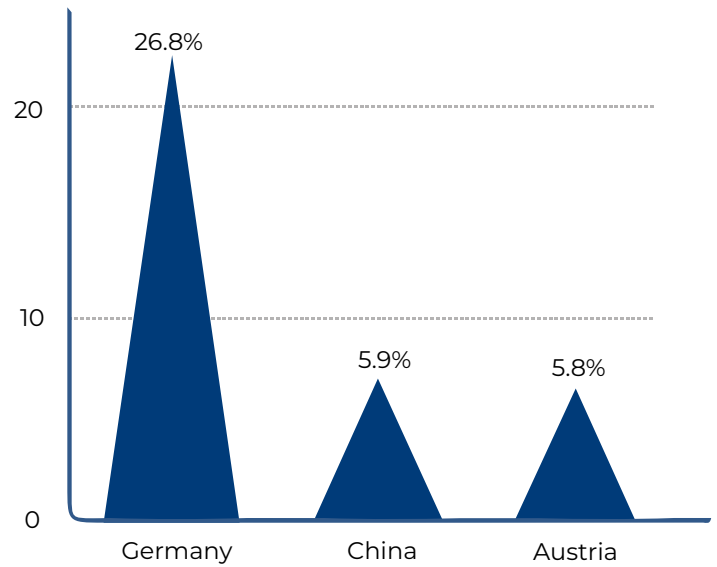
Hungary is a member of EU, WTO and World Bank.

Hungary is classified as high income economy by World Bank.

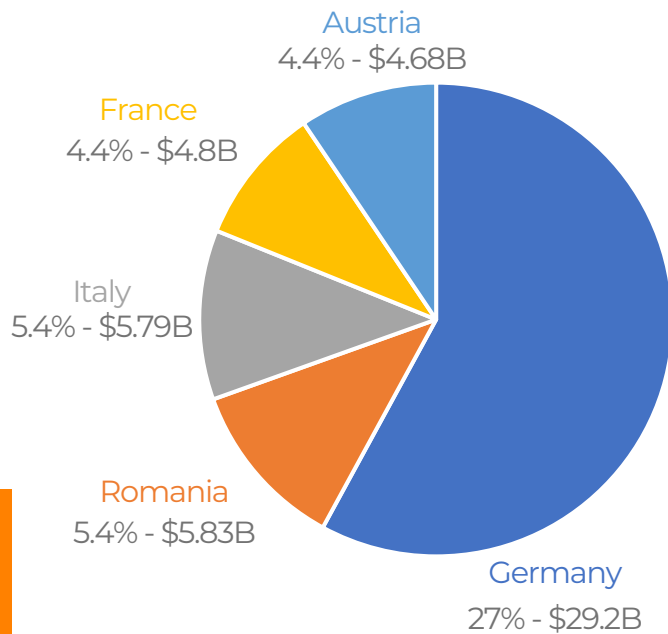
Top 3 Export Destinations (overall value \$107B)



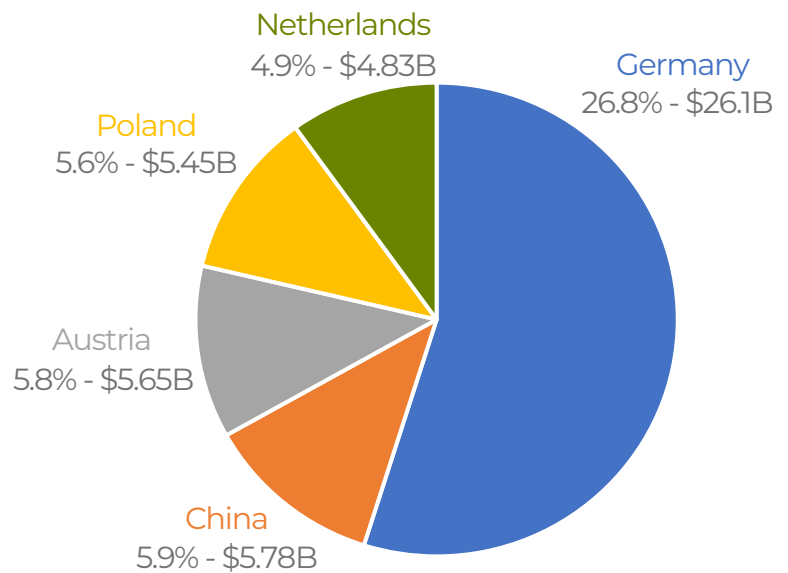
Top 3 Import Origins (overall value \$97.1B)



Top 5 Export Countries



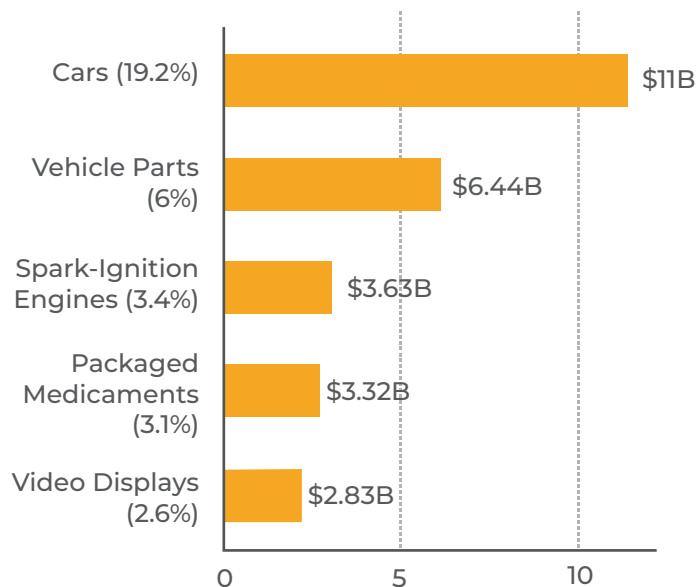
Top 5 Import Countries



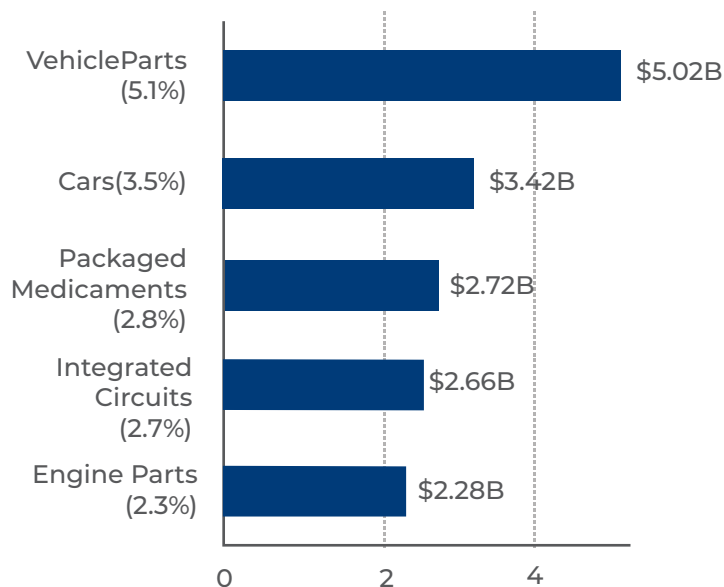
SOURCE: <https://oec.world/en/profile/country/fin/>

| What does Finland Imports and Exports?

Top 5 products exported by Hungary



Top 5 products imported by Hungary



SOURCE: <https://oec.world/en/profile/country/fin/>

Product Analysis

| Hair products top exporter Germany



- Hair Products are the 252nd most traded product in the world.
- The value of the total export amount at \$12.9B.
- Germany exports for \$1.44B, which represents the 11% of the world total.
- Hair Products top exporters are Germany (\$1.44B), the United States (\$1.17B), France (\$973M), Italy (\$951M) and Mexico (\$899M).
- The top importers are the United States (\$1.18B), the United Kingdom (\$725M), Germany (\$670M), Japan (\$465M) and Russia (\$454M).

Article of the Month

| CRIF Study: 25.6% of company founders are women

CRIF examined who set up new companies in 2020. In Switzerland, 67,753 people founded new companies in 2020. Of these, 74.4% were men and 25.6% were women. The most popular legal form chosen by both men and women was the GmbH (private limited company), which accounted for 18,286 new businesses, followed by sole proprietorships (14,890) and AGs (public limited companies) of which there were 9,355. However, when we examined those sectors where most new companies were founded by women, we found that they mainly chose a “sole proprietorship” or GmbH as their legal form.

Sectors involving a higher number of female company founders

Most female company founders are found in the “provision of personal services” sector (1196). These are primarily hairdressing and cosmetics businesses and nail studios. The next most popular sectors for female company founders are social services (199), clothing manufacture (138) and veterinary services (46).



In the sectors where most new companies are formed, the majority of new businesses are founded by men

A closer look at the sectors that reported most company formations in 2020 shows that these were predominantly set up by men. In the retail trade, which mainly employs women, the proportion of female company founders is 34.1%. 32% of new businesses are founded by women in the food and drink sector, 27.3% in management consultancy, 24.2% in the property sector and 16.9% in the provision of financial services. The construction industry lies at the bottom of the league in the larger sectors; here, women set up just 12.7% of all new companies.

About the survey process

Female company founders. In this survey, we took into account those people whose names were entered into the Commercial Register for the first time for companies founded in 2020. This might involve several individuals in those cases where no unique founders were identified, such as a public limited company, limited partnership or private limited company.

Quick Infographic

| Why you need CRIF's Business Information Report in 2021?



Why go for CRIF's Business Information Report for 2021?



Companies often look for the highest quality of business information before forging an association with a new partner in order to drive high profitability and healthy growth. CRIF's Business Information Report enables the global market to access commercial risk data with its freshly investigated reports.

Benefits of CRIF's Business Information Report



Get **risk assessment ratings** to get insights into a company's vulnerability with credit limits



Have a clear picture of the company's **legal events** such as acquisitions, bankruptcies, critical suits



Understand the **financial strength** of the company with the help of balance sheets, ratios and financial data



View not only the present but also the past of the company by **accessing historical data** involving company management

Stay one step ahead with **CRIF's Business Information Report in 2021**

About CRIF India

CRIF India is one of India's leading provider of Credit Information, Business Information, Analytics, Scoring, Credit Management and Decisions Solutions.

CRIF's Business Information Report, commonly known as the BIR Report, is a new way of thinking about data and information and how they are linked to each other. Available in 230 countries and territories, CRIF'S Business Information Report contains up to date information collected from various data sources. The report helps in determining a company's profitability, financial trends, and risk. It also provides an in-depth profile of a company, including financial information, legal cases, history of business, ownership details, operational information, and details on related firms and special events that occurred in the past involving company management. It's an industry standard for evaluating both new and existing credit relationships, especially medium-to-high risk accounts. Additionally, it supports a company's other efforts, like marketing and purchasing.

CRIF India's Business Information Offerings



| How is CRIF different?



We brought in new Sets of Data Points,
First in the Industry at a TAT less than 48hrs.



Count on our TAT

Quality in expertise translates into
efficiency in outcome



Global Data Environment

200 million companies across 230 countries,
2 Million directors on these companies,
400+ data points covered



Quality checks

We've set processes to ensure reliable
information is coming your way



Unmatched expertise in analysis

Our vast experience gives us an eye for better
assessment of information

Customized solutions for: Customer | Suppliers | Trade / Supply Chain solutions



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