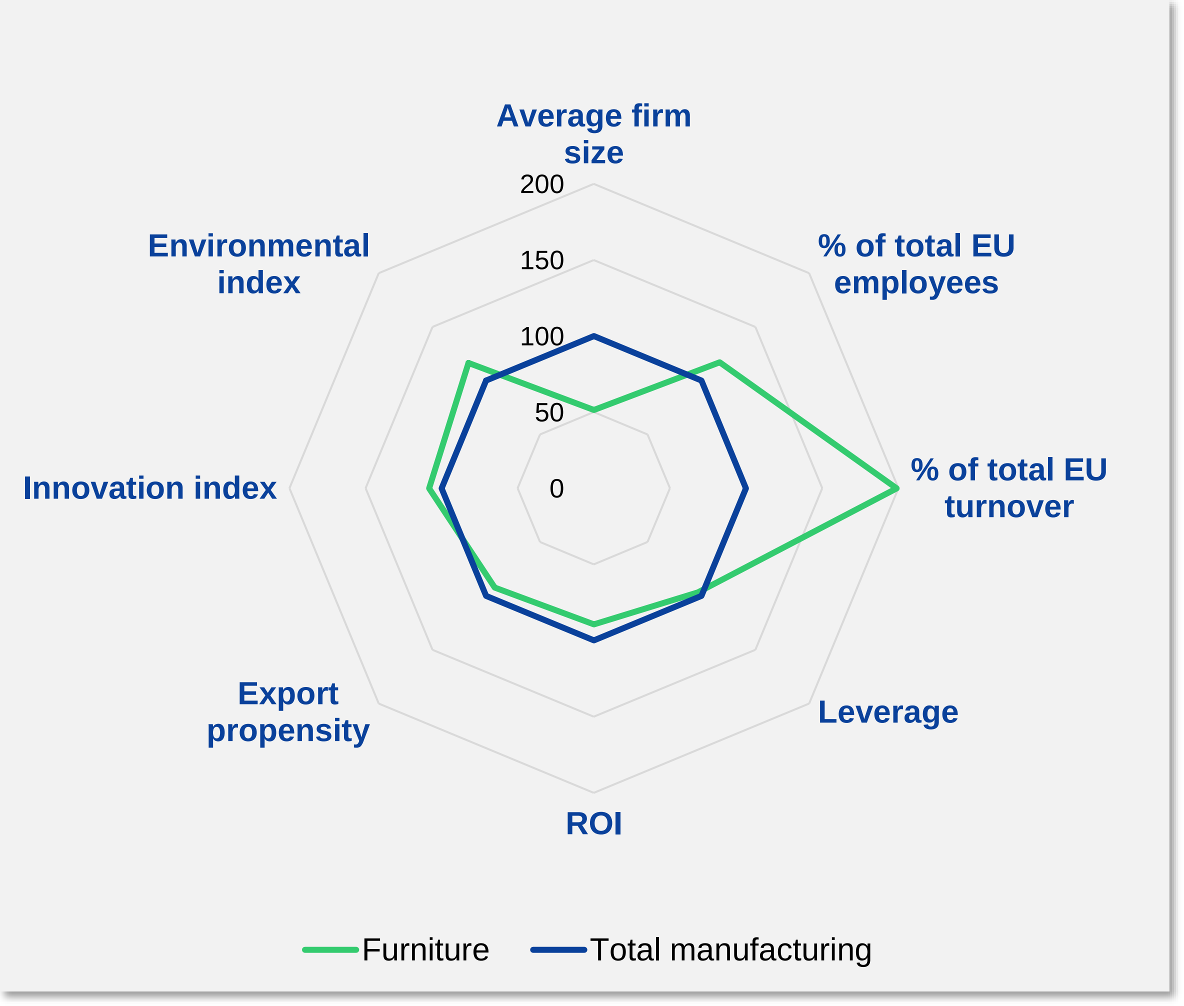
The Furniture industry in Italy

Sector Kit 2024

Overview



Source: Eurostat, Prometeia

Key Insights

- The Italian Furniture industry is characterized by **small enterprises** that still represent a **significant portion of the EU market** in terms of turnover and employment.
- On average, companies in the Furniture sector **align with the manufacturing benchmark** regarding **export propensity**, **profitability**, and **financial stability** indicators.
- Additionally, the Furniture sector demonstrates a moderately **positive sustainability performance** compared to the broader Italian manufacturing industry, with relatively low GHG emissions per unit of output produced.

Number of firms and sector characteristics

Year 2022		Number of enterprises	Turnover mln €	Number of employees
Furniture	Value	15 801	29 913	133 405
	% on total manufacturing	*4.3%*	*2.2%*	*3.5%*

Breakdown by subsector

		Number of enterprises	Turnover mln €	Number of employees
Office furniture	Value	1 408	5 697	22 278
	% on total sector	8.9%	19.0%	16.7%
Kitchen furniture	Value	592	3 413	10 372
	% on total sector	3.7%	11.4%	7.8%
Bedroom and living room furniture	Value	11 639	15 443	80 989
	% on total sector	73.7%	51.6%	60.7%
Upholstered furniture	Value	2 162	5 360	19 766
	% on total sector	13.7%	17.9%	14.8%

Breakdown by firm size class[1]

		Number of enterprises	Turnover mln €	Number of employees
Micro	Value	13 802	5 167	52 739
	% on total sector	87.3%	17.3%	39.5%
Small	Value	1 526	6 215	29 651
	% on total sector	9.7%	20.8%	22.2%
Medium	Value	387	7 894	24 915
	% on total sector	2.4%	26.4%	18.7%
Large	Value	86	10 637	26 101
	% on total sector	0.5%	35.6%	19.6%

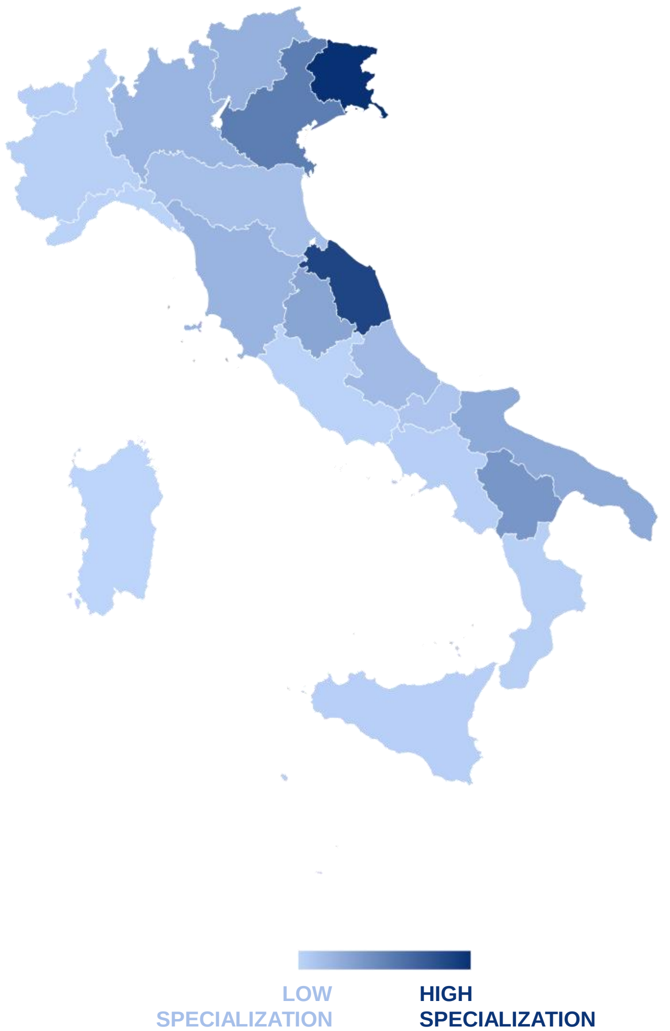
Source: Prometeia Structural Database

Key Insights

- With **approximatively 16 thousand companies**, which employ around **133 thousand people** and **a turnover of almost 30 billion euros** in 2022, the industry represents a characteristic sector of the Italian “quality” manufacturing.
- The **majority of industry turnover** is generated by the **Bedroom and Living Room Furniture** subsector, accounting for approximately 51.6% of the total.
- Micro and small companies constitute **around 97% of the total number of enterprises**, contributing about **38% of the industry's total turnover**. This figure is nearly **double the manufacturing average**, underscoring the **significance of small, niche, and high-quality firms** within the sector.

1. As a reference, manufacturing in Italy has the following structure:
   - Number of enterprises: Mic. 84.9%, Sm. 10.8%, Med. 3.3%, Large 1%
   - Turnover: Micro 8.6%, Small 12.4%, Medium 18.7%, Large 60.3%
   - Number of employees: Mic. 26.7%, Sm. 21.7%, Med. 19.7%, L. 31.9%

Specialized districts or regions



Top 5 region by specialization, 2021	Specializ. index[1]
Friuli-Venezia Giulia	4.5
Marche	3.9
Veneto	2.4
Basilicata	1.8
Umbria	1.4

Top 5 region by number of empl., 2021	Number of employees
Veneto	30 856
Lombardia	25 992
Marche	13 926
Friuli-Venezia Giulia	12 345
Toscana	8 523

Source: Istat

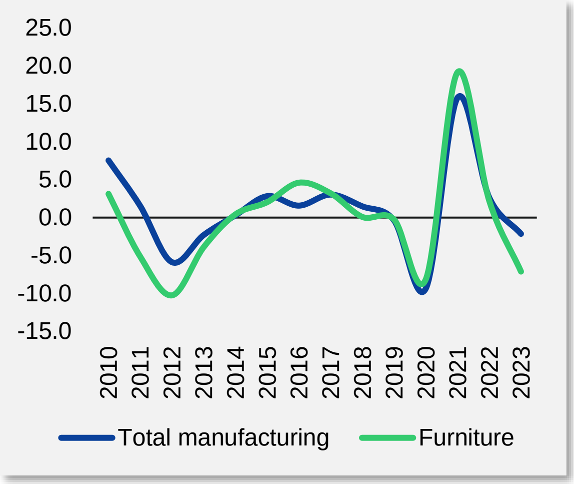
Key Insights

- Furniture industry is notably concentrated in several **highly specialized regions** across Italy. **Friuli-Venezia Giulia leads** with a specialization index of 4.5, followed by **Marche** at 3.9 and **Veneto** at 2.4. Friuli, in particular, is home to two fundamental districts for the sector: the fu**rniture and panels district in Pordenone** and the **chairs and furnishing district in Udine**.
- **Veneto** is the **region with the highest employment** in the Furniture industry, with nearly 31 thousand employees, closely **followed by Lombardia**, where the impressive **district for furniture located in Monza e Brianza** is located.

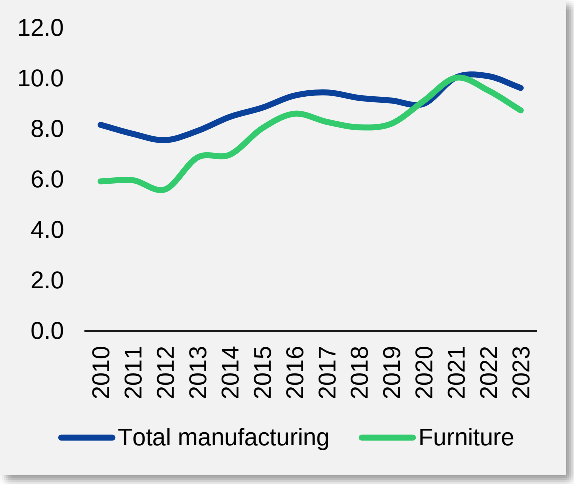
1. Here, the Specialization Index is calculated as the ratio between a region's sector-specific number of employees as a percentage of total regional number of employees and the same ratio at the national level. A region is considered specialized when the index value exceeds 1.

Industry financials

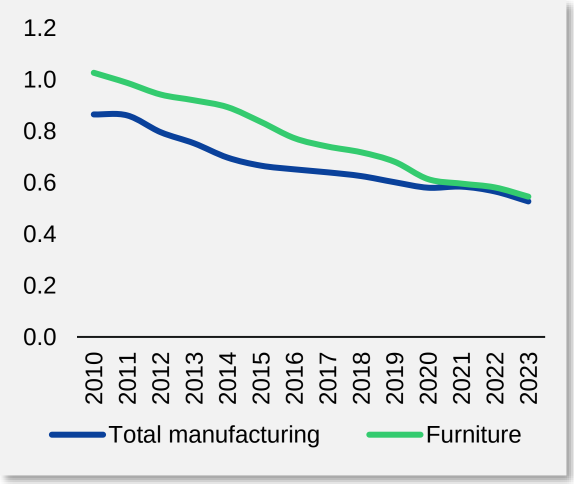
***Turnover** (Constant Prices, YoY change %)*



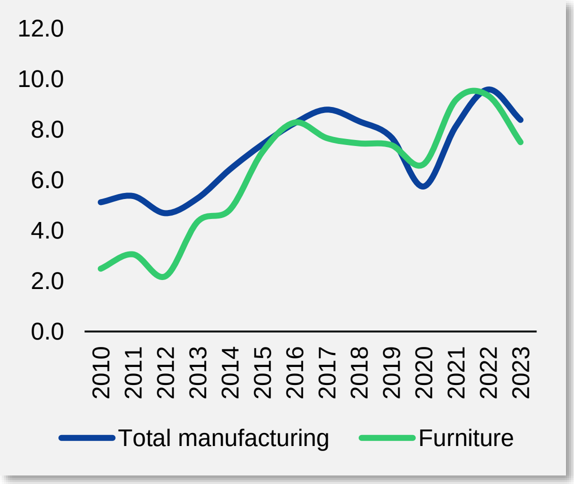
EBITDA



Leverage



ROI

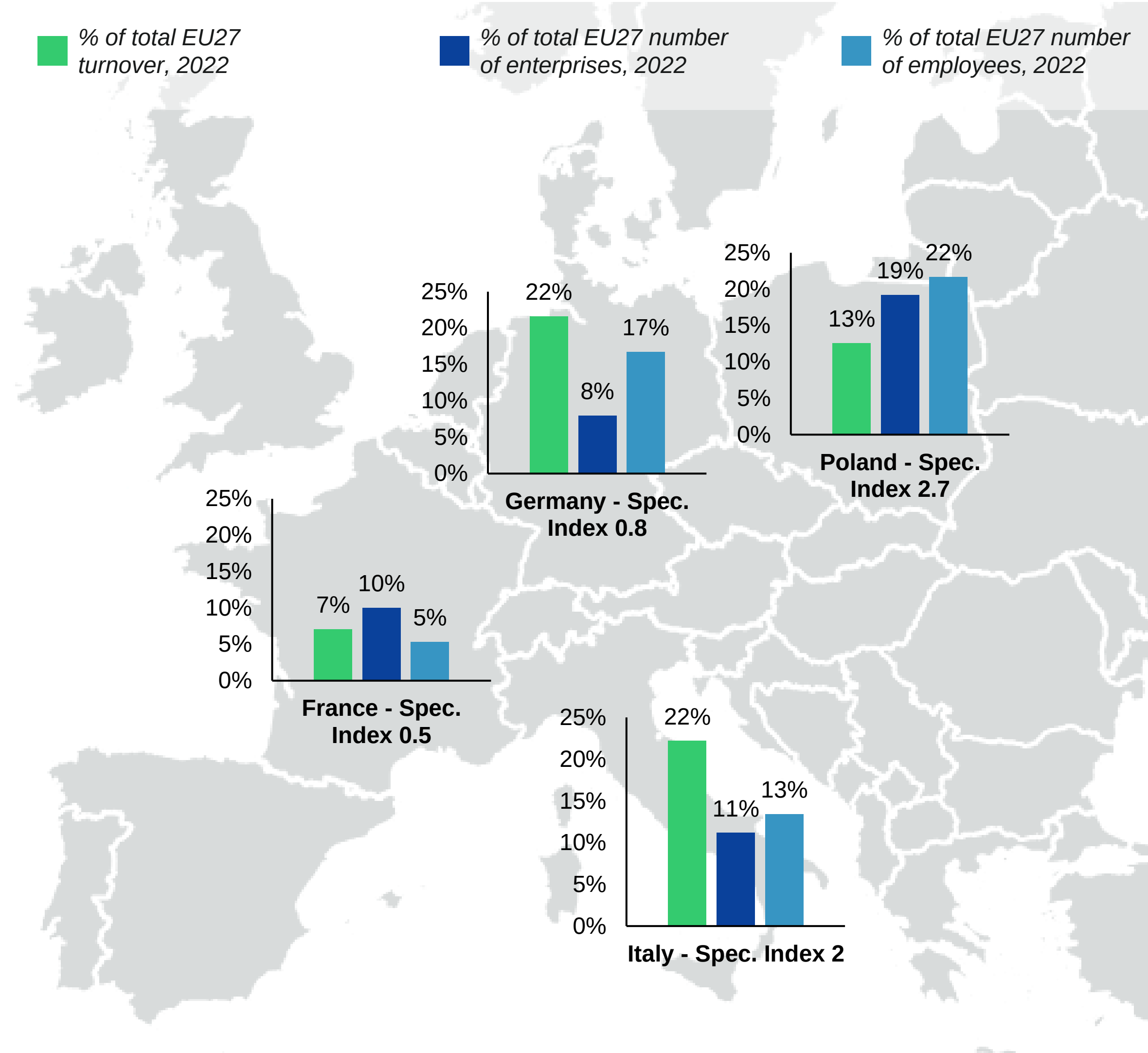


Source: Prometeia Financials Database

Key Insights

- In recent years, the Furniture industry has been mirroring the turnover dynamics of manufacturing. **The 2020 trough was followed by a double-digit increase in 2021, with growth slowing down in 2022 and eventually hitting negative territory in 2023** (-7.1%).
- **Financial stability is on a positive trend** of shrinking debt-to-equity ratio, with ratios in line with the manufacturing industry after the pandemic.
- Over the years, **profitability in the sector has improved**: the EBITDA for the Furniture industry approached that of the manufacturing sector in the years following the COVID crisis, but with an estimated loss of ground in 2023 (while remaining on historically high levels).

International benchmarking



Source: Eurostat, Prometeia Structural Database

Key Insights

- The Italian Furniture industry plays a **relevant role at the European level** as well, placing itself in the top 5 of the EU27 countries ranking for employees, enterprises, and turnover of the sector.
- While only being in the top 3 for the number of enterprises and employees, together with Germany, **Italy represents the country with the highest coverage of EU turnover in the sector**, with a 22% share.
- Italy is highly **specialized** in the Furniture sector, ranking second only to Poland between the reported countries.

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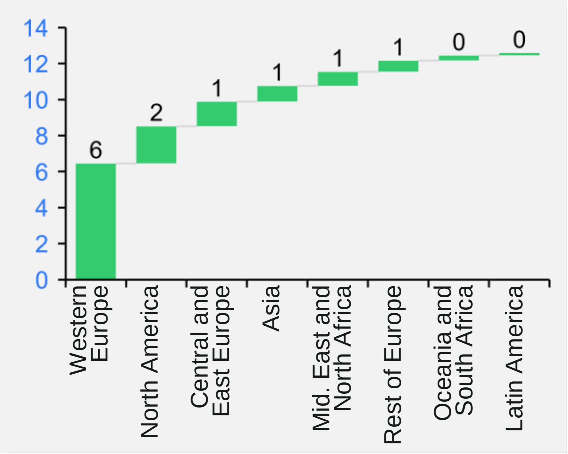
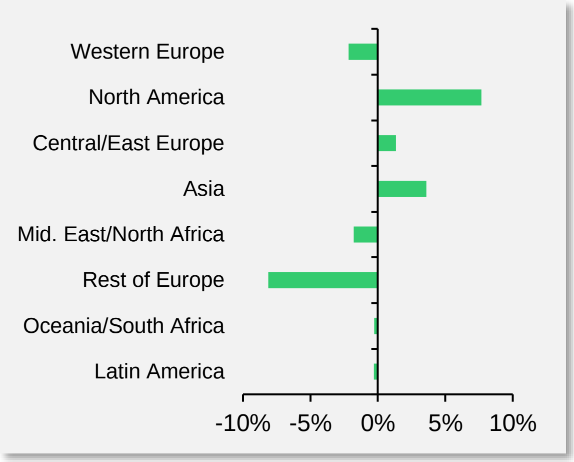
1. Here, the Specialization Index is calculated as the ratio between a region's sector-specific number of employees as a percentage of total regional number of employees and the same ratio at the national level. A region is considered specialized when the index value exceeds 1.

International trade

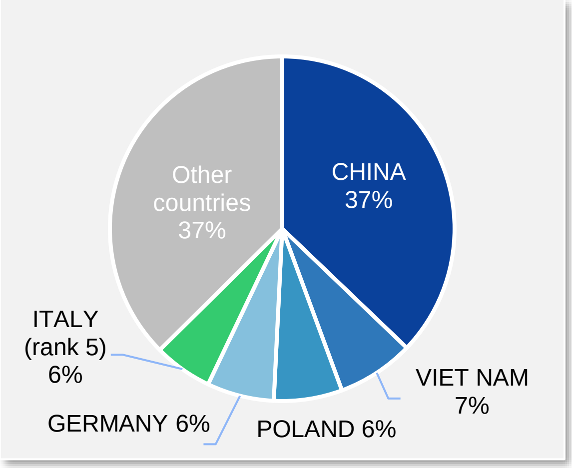
Italian export by area of destination Bln $, 2022



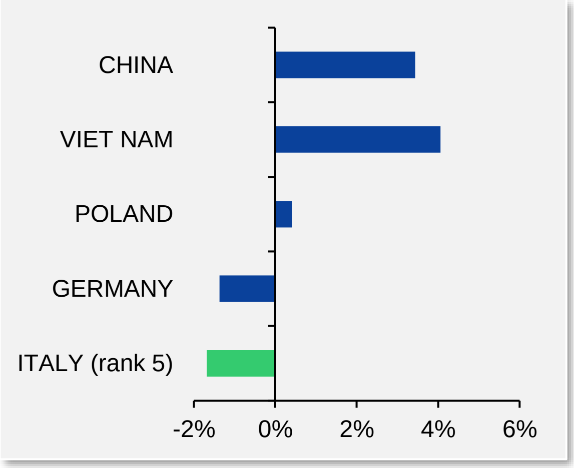
Italian export by area of destination Var 2013-2022 of the share



World main exporters % on total world exports, 2022



World main exporters Var 2013-2022 of the share



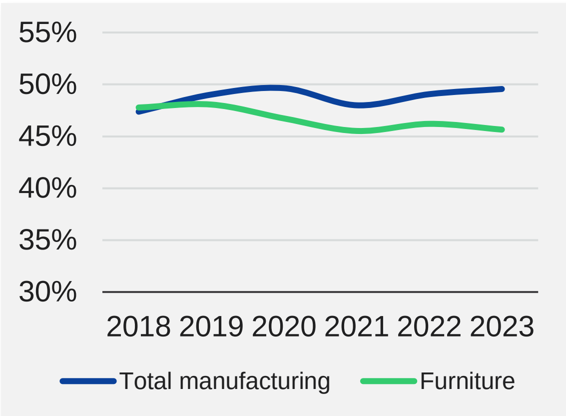
Source: Prometeia Fipice Database

Key Insights

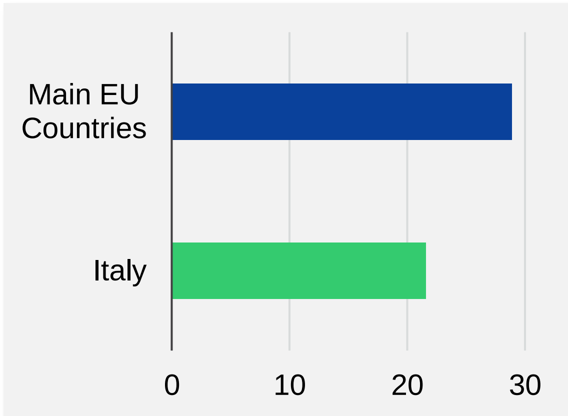
- In 2022, **Western Europe represents the main region of destination** of Italian exports in the Furniture industry. **North America has grown in relevance over the years as a destination region**, gaining 8% of the Italian Furniture industry export share since 2013 and taking second place in the recipient ranking in 2022. On the other hand, Italian Furniture exports towards Rest of Europe have lost ground, reducing their market share by about 8% in the last decade.
- Globally, **Italy is the 5th exporter of Furniture products**, with a 6% total export share in 2022, **losing out in the last ten years** (almost -2% with respect to its 2013 share) and especially to China (+3%) and Vietnam (+4%).

Competitive advantages of Italian firms

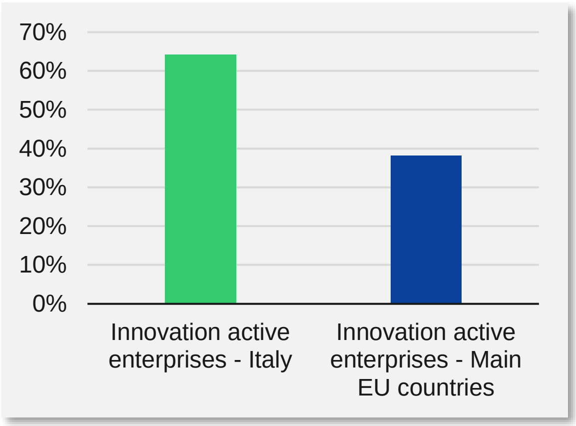
Export propensity
(ratio between exports and production value)



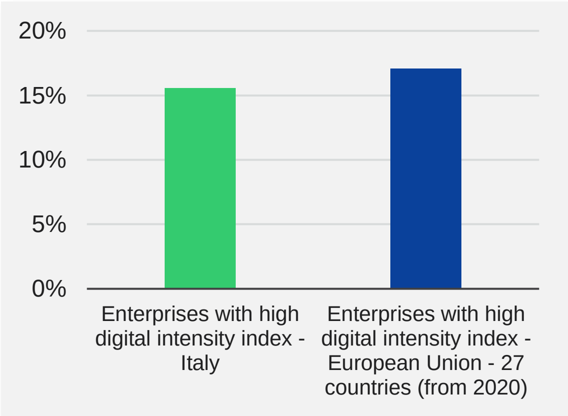
Emission intensity
(GHG grams per € of value added)



Innovation propensity
(% of innovative firms on the total)



Digital intensity
(% of digital advanced firms on the total)



Source: Eurostat, Prometeia Structural Database
Data on emissions and digital intensity also include sectors C32-33

Key Insights

- In terms of export propensity, **the Furniture industry is in line with the manufacturing** benchmark, with around 46% of turnover coming from exports.
- Italian enterprises in the Furniture sector have shown a **good attitude towards innovation activities**, with the share of innovative companies exceeding 64%, performing better than the average of the main EU countries. As for digitalization, **16% of companies have a high score in digital intensity**, in line with the EU27 average (17%).
- **Italian companies in the sector are also relatively more sustainable** than the main EU countries, generating fewer GHG emissions per euro of output.

Notes

Industry definition

- The analysis encompasses activities classified under NACE Rev.2 codes C31.

Data sources

- Information on the industry structure, characteristics, trade data, and financials are sourced from official statistics (Eurostat, ISTAT) and Prometeia Databases (Structural, Financials, Economics, Fipice).
- Financial data for the year 2023 are estimates based on currently available information.

Overview

- The radar chart on page 3 illustrates the industry's positioning relative to the entire Italian manufacturing sector across various indicators. The manufacturing index is standardized to 100, and the index value for the specific sector indicates its performance against this benchmark. An upper limit of 200 is set to facilitate graphical representation.

International Benchmarking

- The charts on page 7 present data for the top four countries in the European Union by sector turnover.
- Some EU countries do not provide complete information; however, this limitation is confined to smaller countries and does not affect the reported rankings.

Competitive advantages of Italian firms

- *Export propensity* is calculated as the ratio of export value to production value within the sector.
- *Innovation propensity* is an index representing the percentage of "innovation-active enterprises" over the total number of respondents to the Eurostat Community Innovation Survey (CIS), referring to 2020.
- The *Digital Intensity Index* (DII) is a composite indicator, derived from the survey on ICT usage and e-commerce in enterprises. Here, the share of enterprises with high or very high digital intensity as of 2023 is represented.
- *Emission intensity* is calculated as the ratio between GHG emissions of the sector in grams and the industry's production value (or gross value added, depending on the most relevant indicator) at current prices, based on data from 2021.