



Performance analysis of solar screen manufacturers 2010-2017

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The sample

- This paper analyzes the aggregate performance of companies operating in the solar shading manufacturing industry. Four profiles have been considered: growth, profitability, productivity and financial structure. Comparisons between sunscreen manufacturing companies and window and door manufacturers have also been elaborated.
- There are three major product families within the shielding sector.
 - Awnings: fabric covers used to shade balconies, windows or portions of buildings.
 - Pergotente: rigid structures with uprights and crossbars and canvas covering or with rigid elements.
 - Sunscreens: elements of the metal building envelope that have the function of partially or totally shielding sunlight.
- Typically, most companies have a diversified offering that includes products from at least two of the three categories described above.
- The **estimated** value of **the Italian domestic market is about 405 million euros (2017)**. The sample consists of 45 companies for 383 million revenues (in 2017), on average 25% of the turnover is realized in the international market, so the companies in the sample realized about 290 million of turnover in the domestic market.

Number of companies	45
Average turnover	8.528.946 €
Average number of employees	40
Aggregate turnover	383.802.549 €

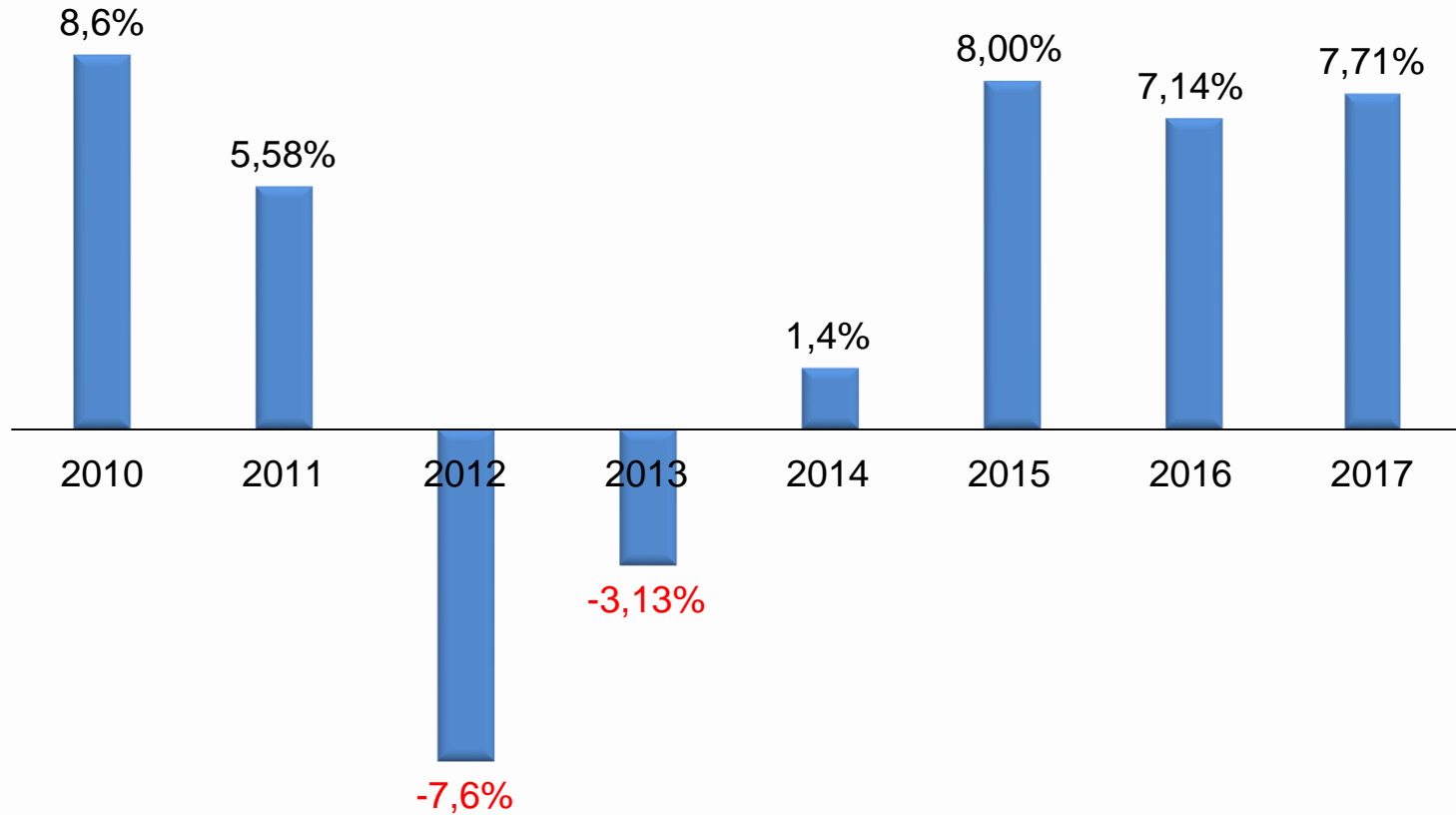
Growth and profitability

- **Growth.** 2017 remains a positive year for the solar shading industry with a 7.7% change in revenue. A positive CAGR of 2.7% is recorded for the period 2009 - 2017.
- **Profitability.** the marginality of sales (ROS) was characterized by extremely positive values in 2015 and 2016. In 2017 there is a decrease in ROS which stands at 5.3%, a substantially positive value although below the average compared to the period considered.
- The margin on invested capital grew with a CAGR of 5.1% in the period 2010-2016. In 2017, there is a decrease in the return on invested capital with a value that stands at 10%, in line with the average for the period considered.
- Growth and profitability performance are largely positive

Growth and profitability

Revenue CAGR (2009 - 2016): 2.7%.

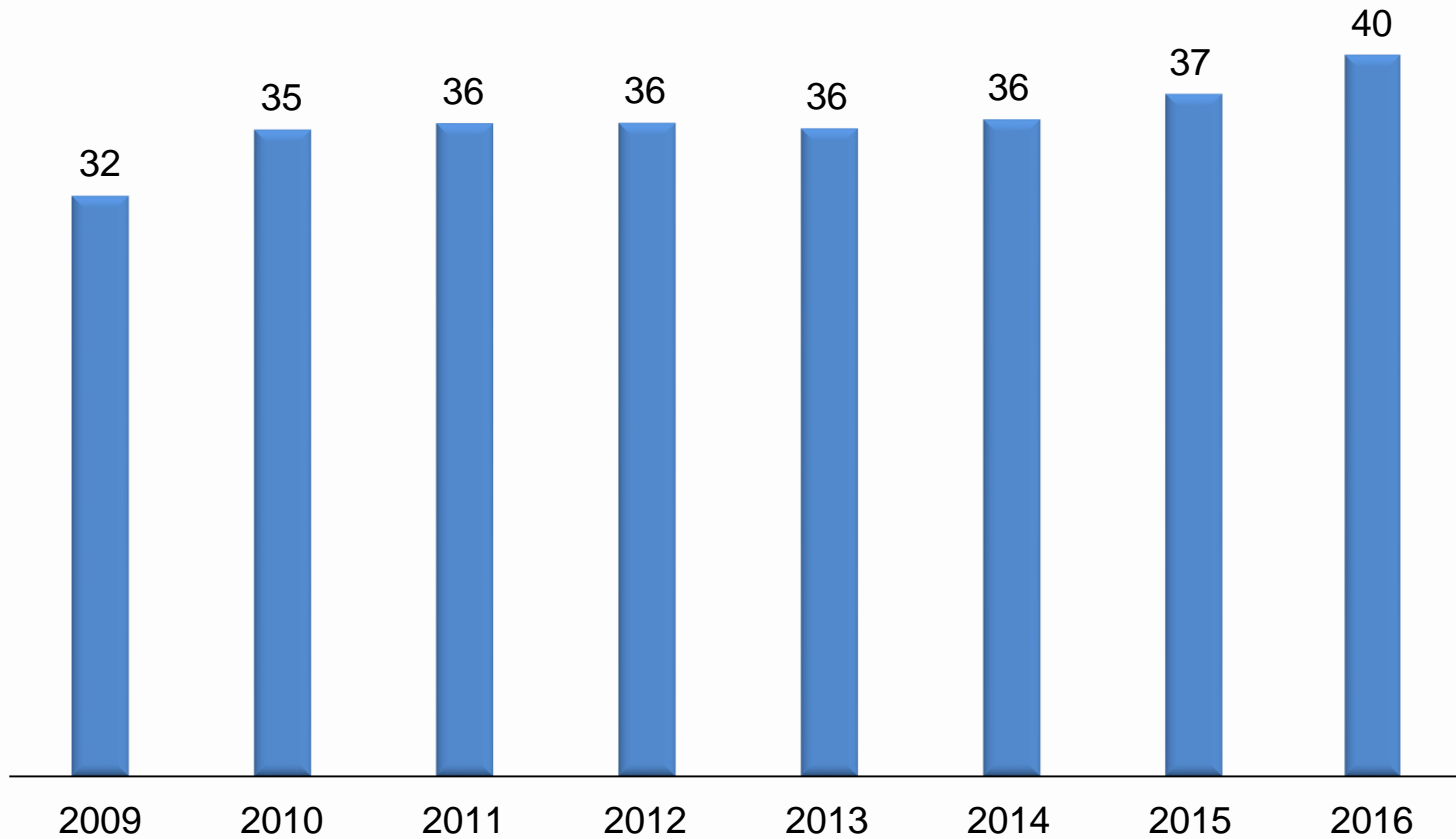
Rate of change in revenues (2010 - 2017)



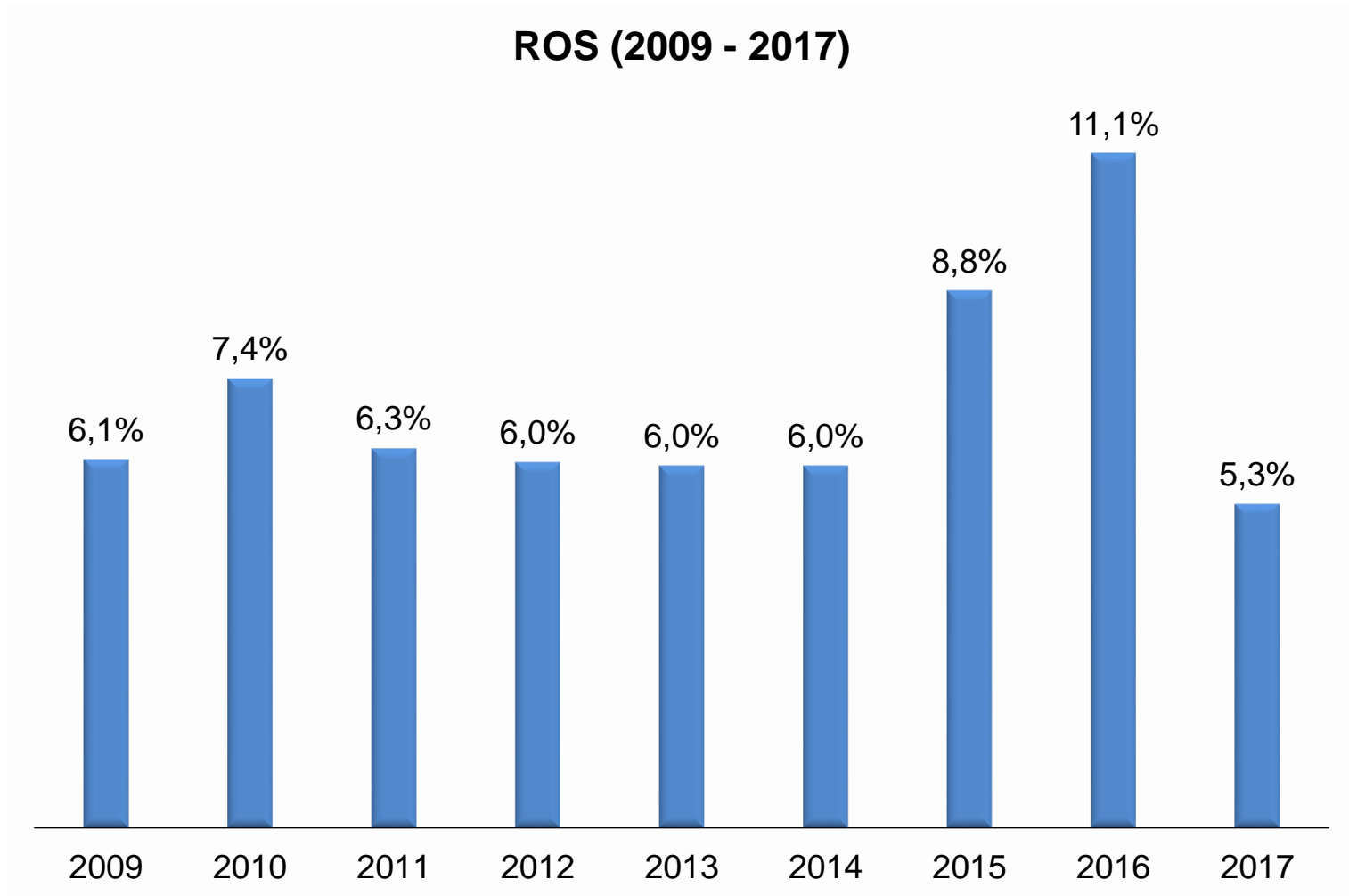
*2017: Preview

Growth and profitability

Average employees per company (2009 - 2016)

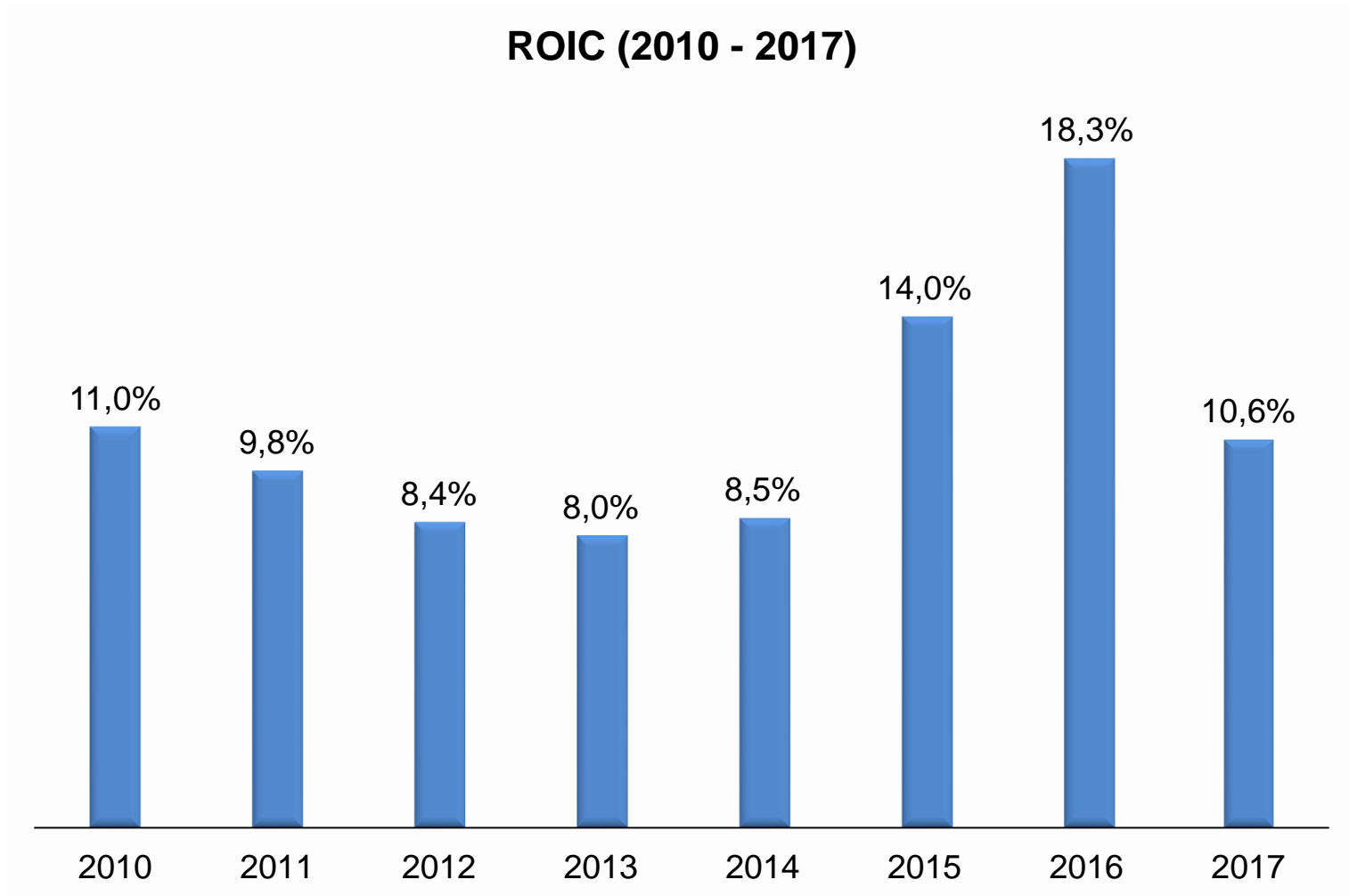


Growth and profitability



*2017: Preview

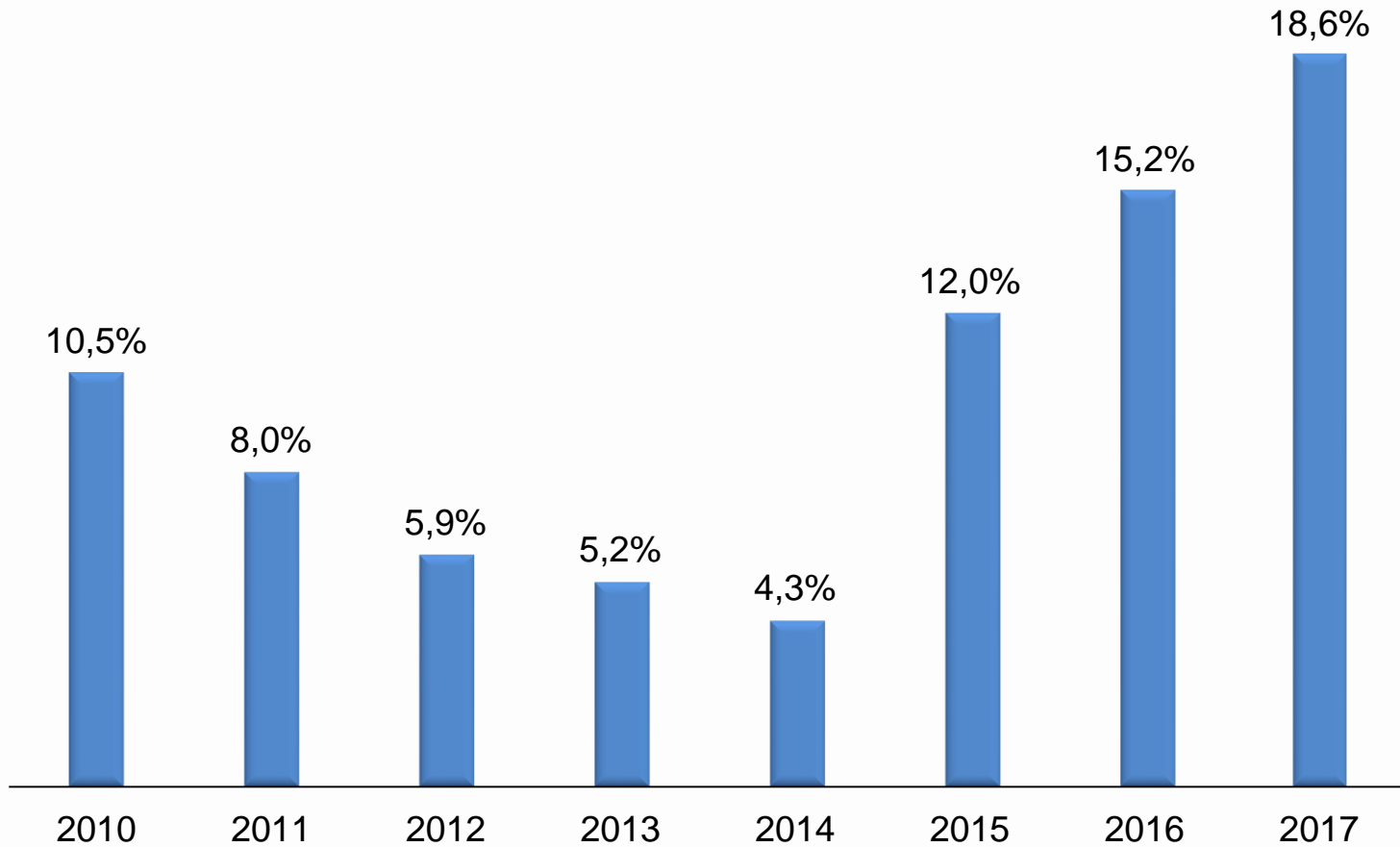
Growth and profitability



*2017: Preview

Growth and profitability

ROE (2010 - 2017)



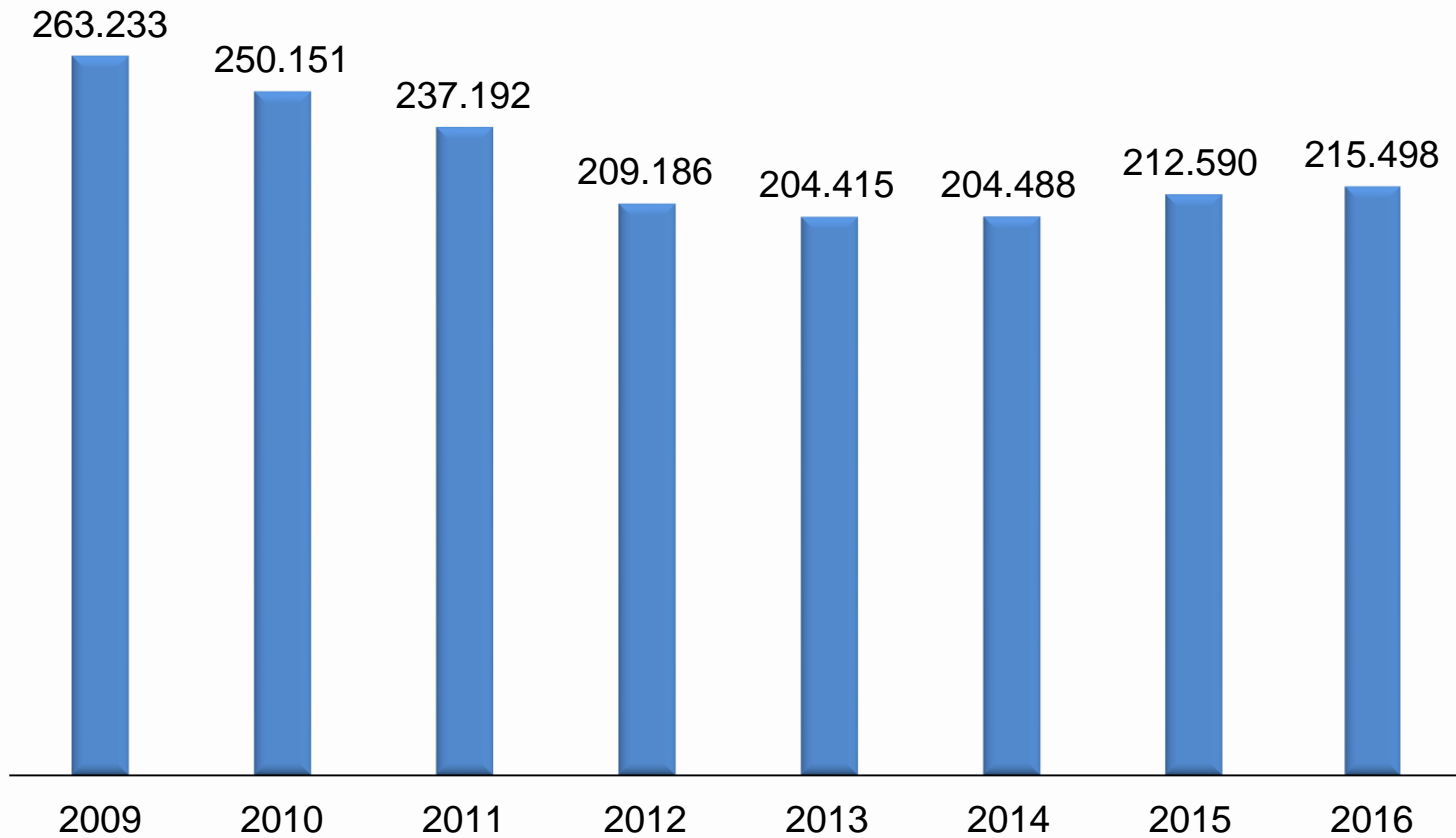
*2017: Preview

Productivity

- Average revenue per employee was affected by a downward trend until 2014. There is a reversal of the trend from 2015 onwards with a slight increase in employee productivity.
- The value added per employee was affected by a negative trend until 2013. From 2014 onwards there is a reversal of the trend and an increase in productivity. In 2016, the value added per employee stood at €68,373, just above the average for the period considered (€64,482).
- The productivity of tangible fixed assets has been characterized by an increasing trend since 2014. A positive CAGR of 0.5% is recorded over the period 2009 - 2017. In 2017, the productivity of tangible fixed assets stands at 10.4, just above the average for the period (10.2).
- Overall, productivity performance is satisfactory.

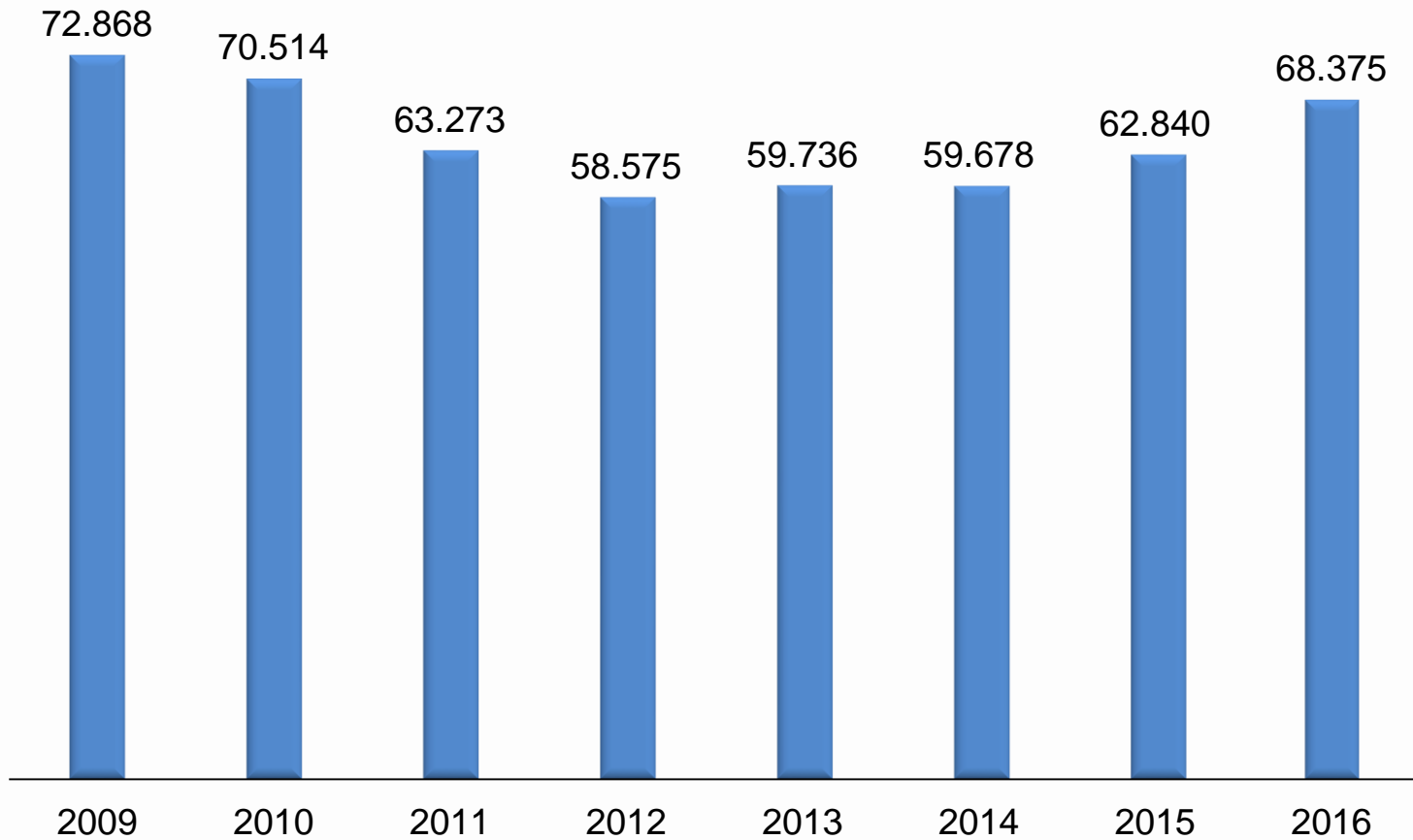
Productivity

Revenues per employee (2009 - 2016)



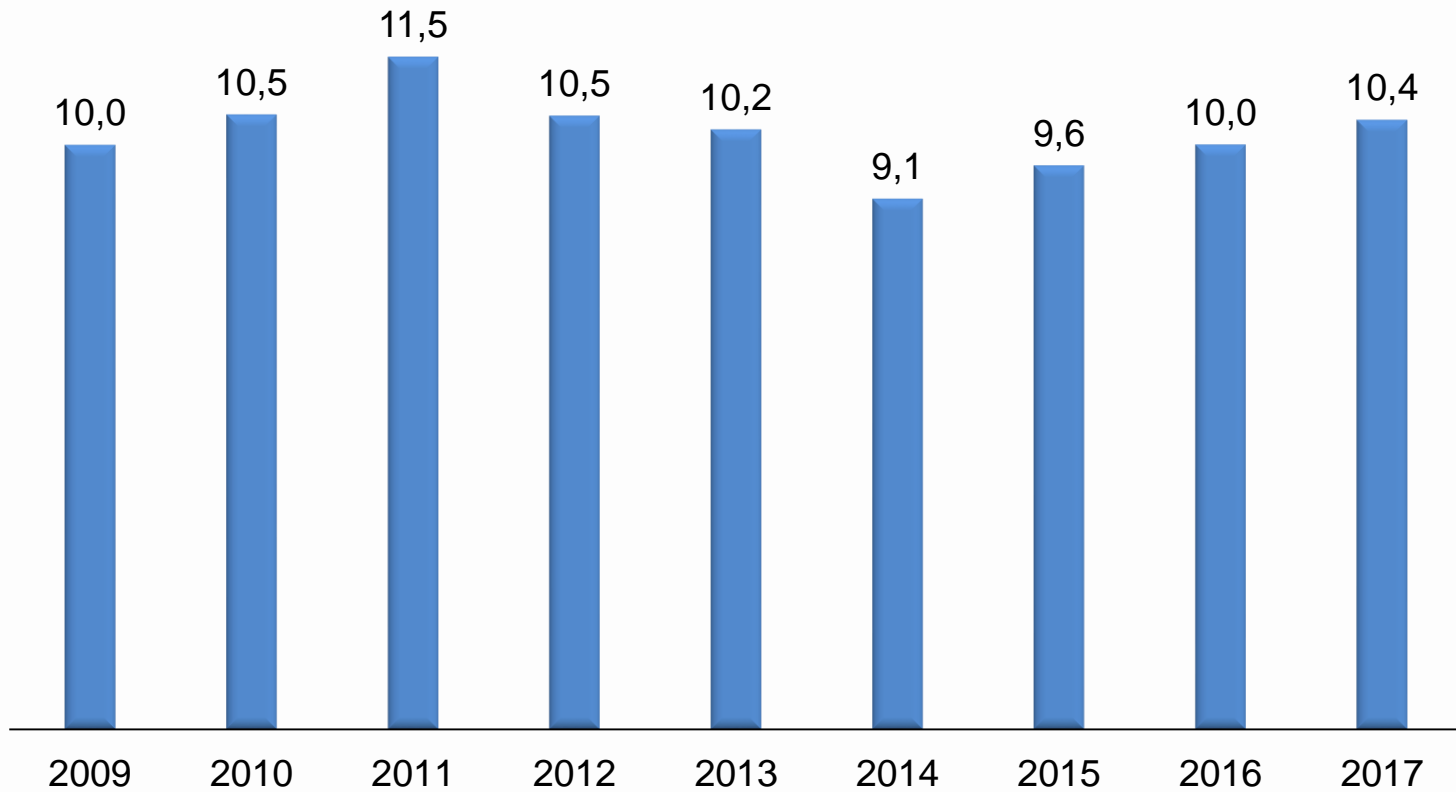
Productivity

Value added per employee (2009 - 2016)



Productivity

Value of Production / tangible assets (2009 - 2017)



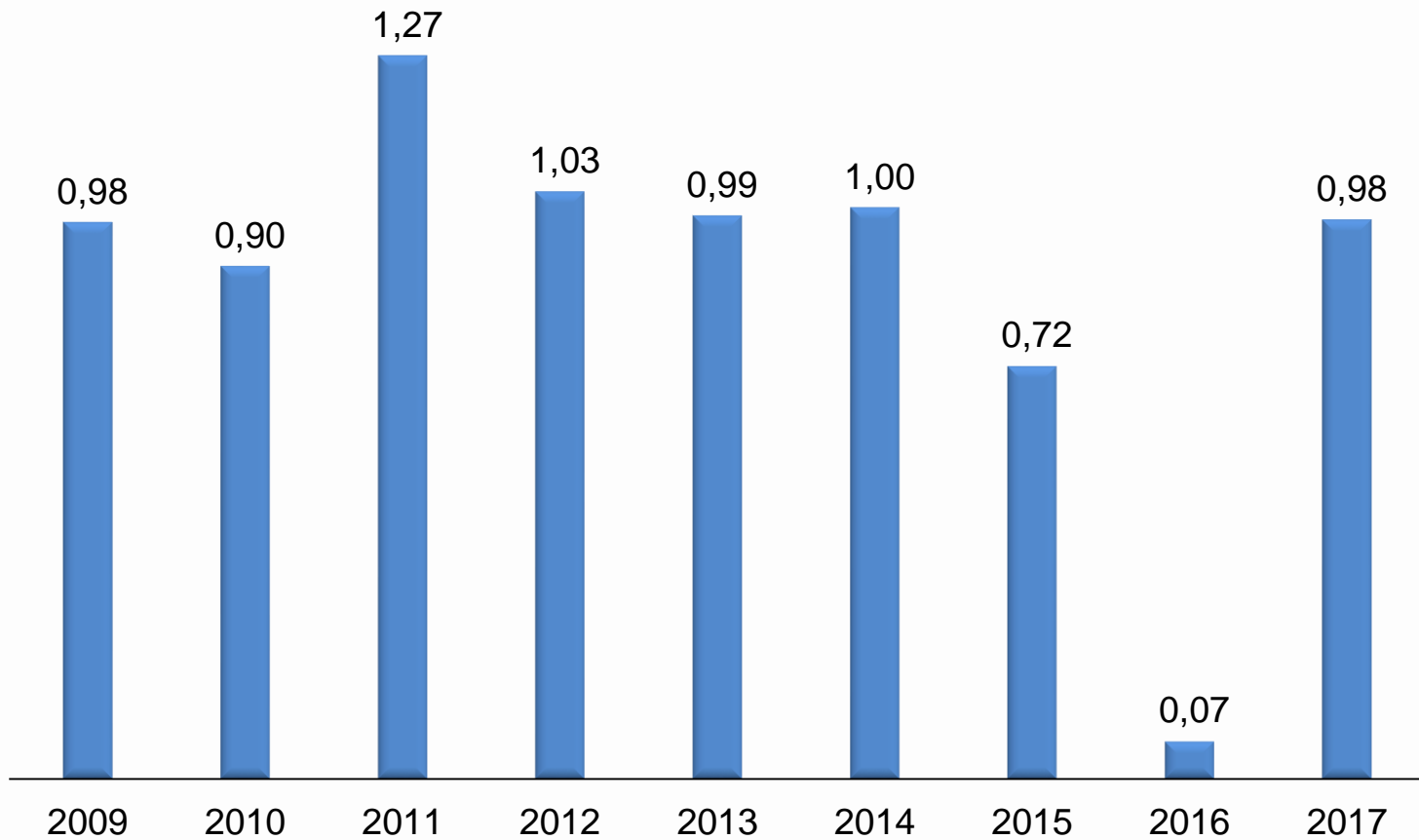
*2017: Preview

Analysis of the financial structure

- The NFP/EBITDA index was characterized by a decreasing trend until 2016. In 2017 an increase is found with a value of 0.98. In the long run, a substantially stable trend is noted a CAGR of 0.1%. The positive result is due to the increase in available cash and the decrease in financial debts.
- The incidence of short-term financial debts on total liabilities remained stable until 2014. From 2015 onwards there is a downward trend with an extremely positive value in 2017 (21.2%).
- Medium and long-term financial debts were characterized by an increase until 2014. From 2015 onwards there is a downward trend and in 2017 a value of 10% is recorded, the lowest with reference to the entire period considered.
- The financial structure of the companies is clearly improving.

Analysis of the financial structure

PFN/EBITDA (2009 - 2016)



2009

2010

2011

2012

2013

2014

2015

2016

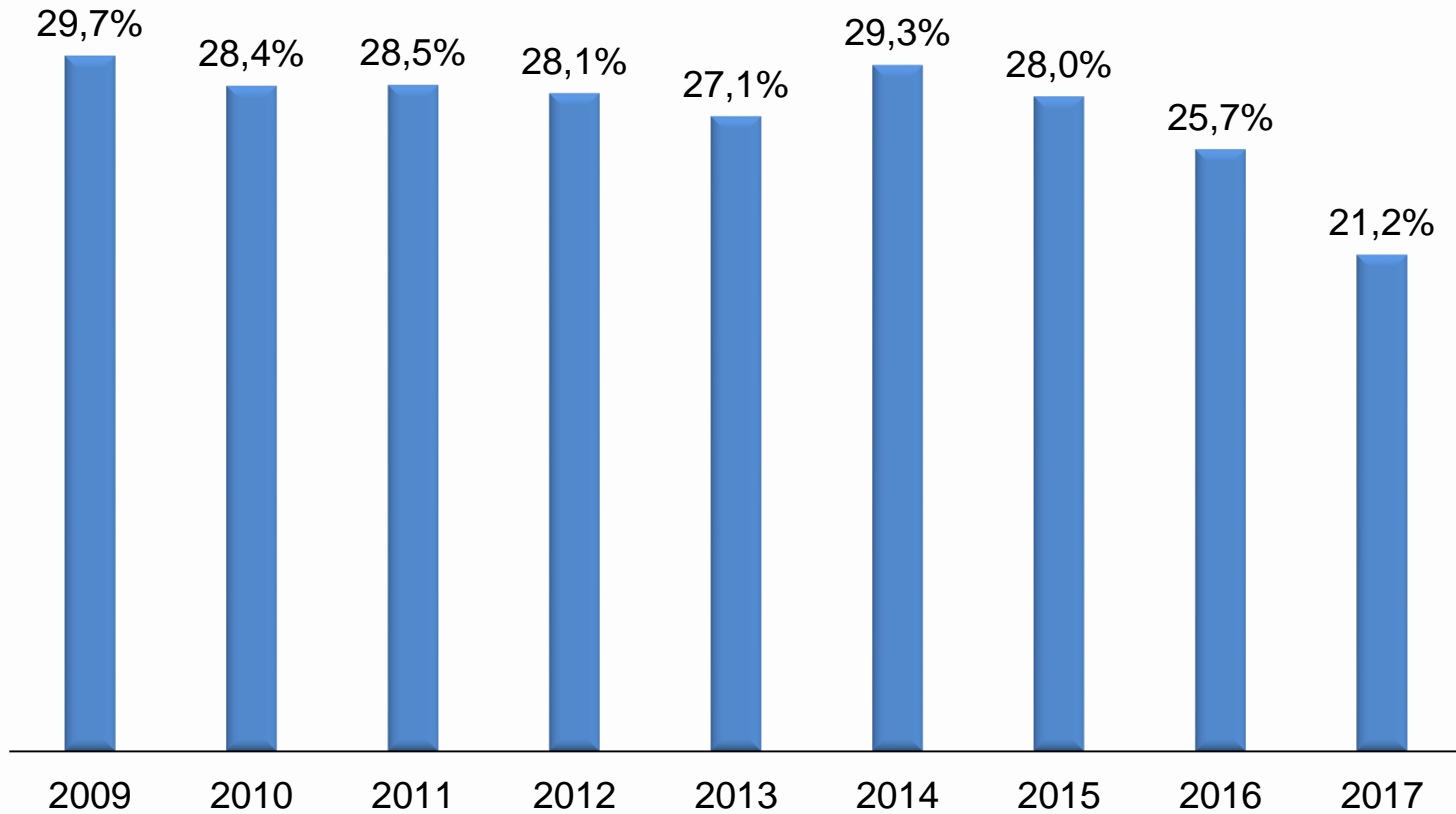
2017

*2017: Preview

*Eliminated Outlier: Para

Analysis of the financial structure

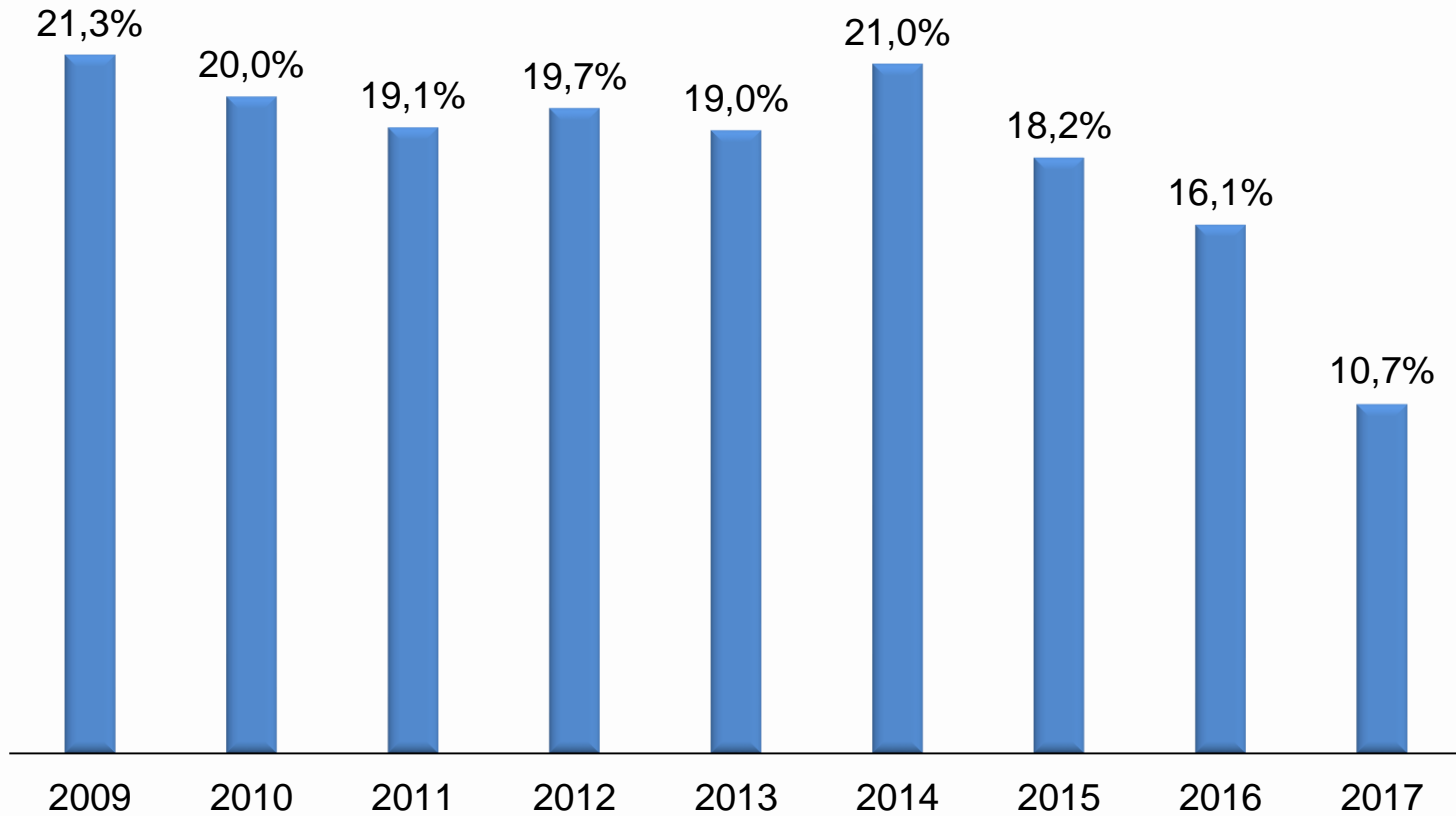
Short-term debt on liabilities total (2009 - 2017)



*2017: Preview

Analysis of the financial structure

M/L term liabilities on liabilities total (2009 - 2017)



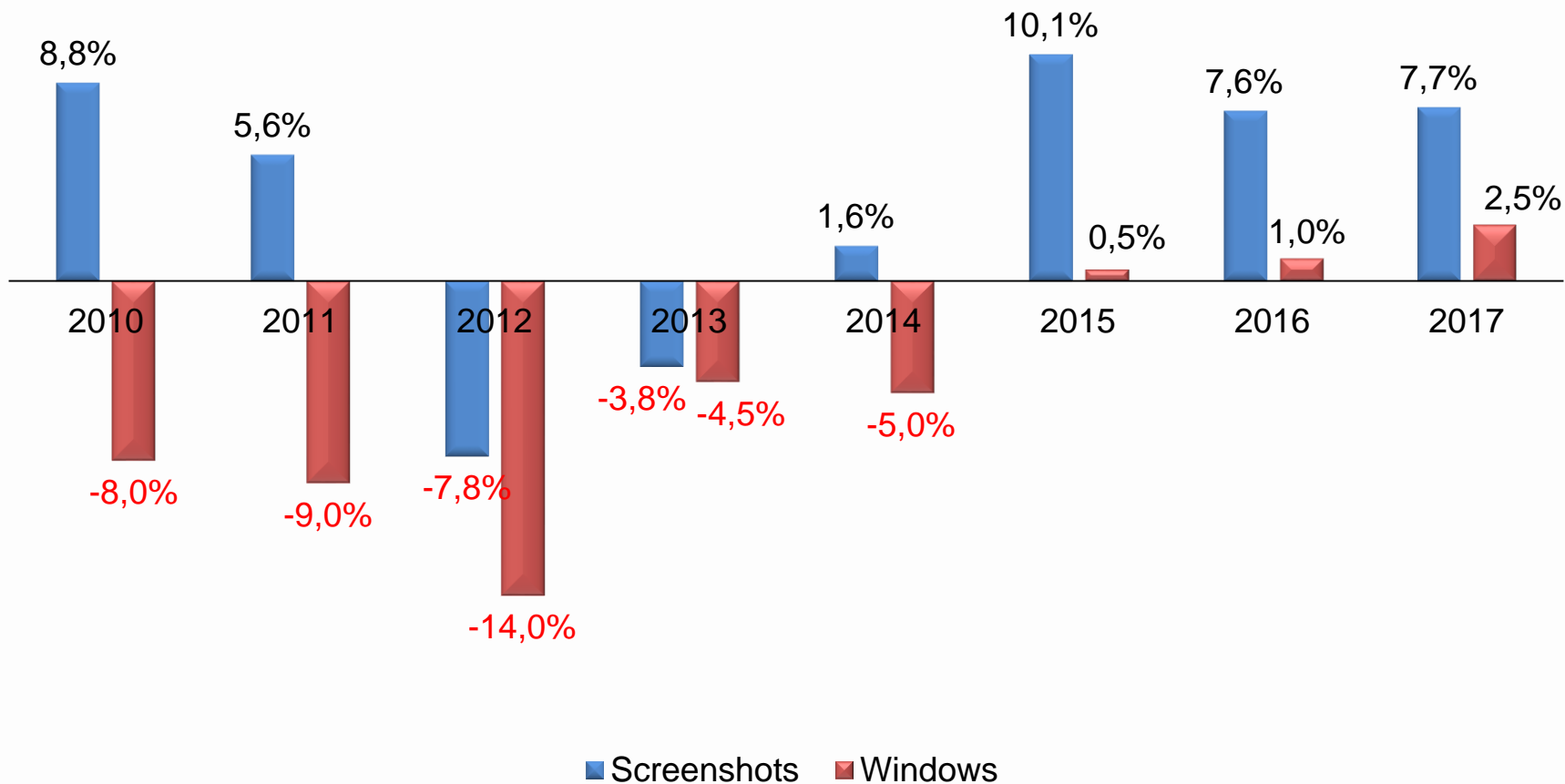
*2017: Preview

Comparison of window and door manufacturers vs. screen manufacturers

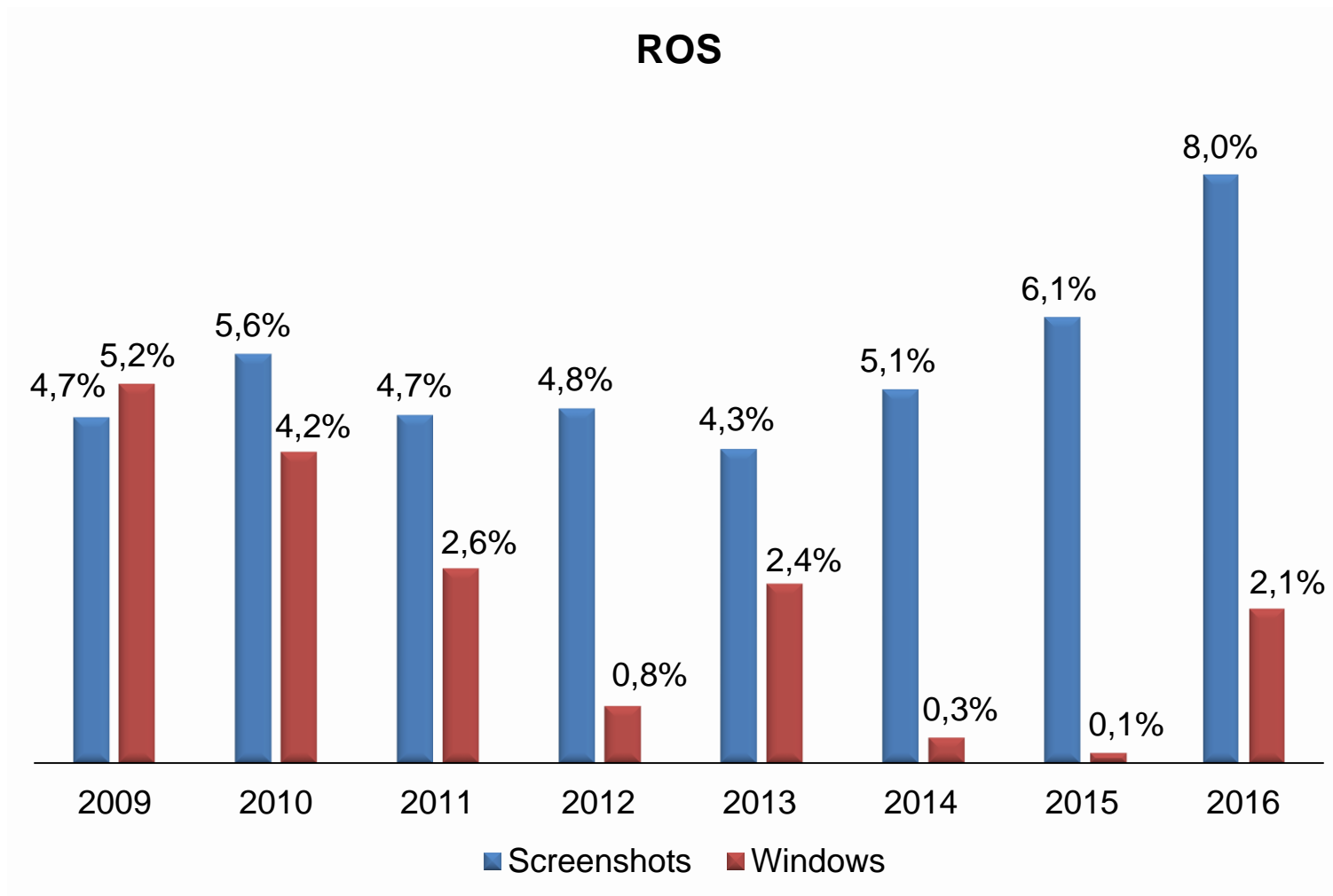
- **Growth.** Higher growth performance is seen for sunscreen companies. The window and door companies register positive performance only from 2015 onwards with lower values compared to the screen manufacturers. In 2017, shading manufacturers record an increase in revenues of 7.7% compared to 2.2% for window and door companies.
- **Profitability.** From the profitability point of view, the solar shading sector shows extremely positive performances throughout the period considered even if there is a drop in values from 2010 to 2013. The windows and doors sector is characterized by much lower ROS values with extremely negative performances in 2014 and 2015; there is a moderate recovery of commercial profitability in 2016 with a value of 2.1%.
- The performance of sunscreen manufacturers is significantly higher, both in terms of growth and profitability, than the performance of window and door manufacturers.

Comparison of window and door manufacturers vs. screen manufacturers

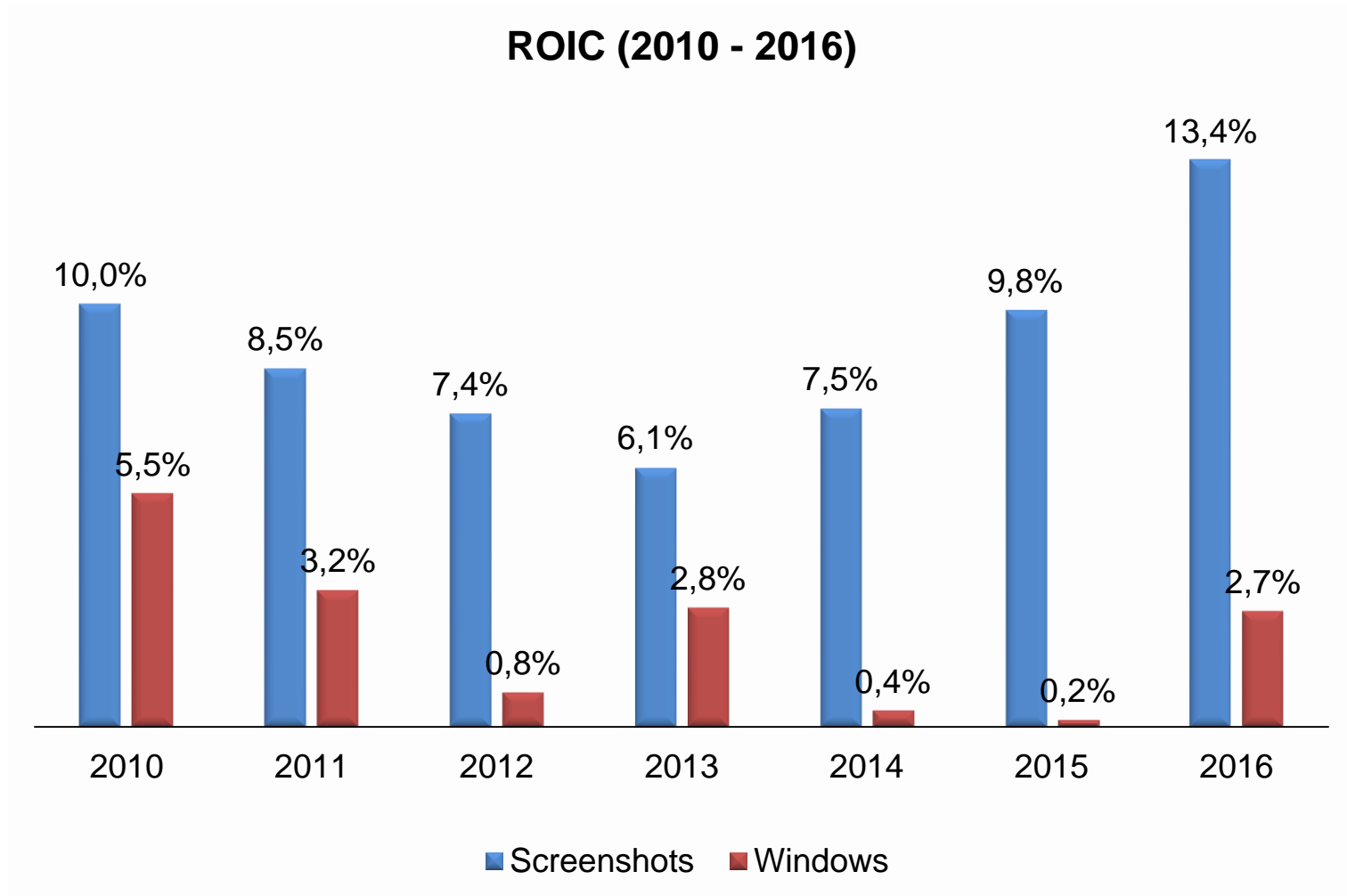
Revenue growth rate (2010 - 2017)



Comparison of windows vs. screens - Profitability



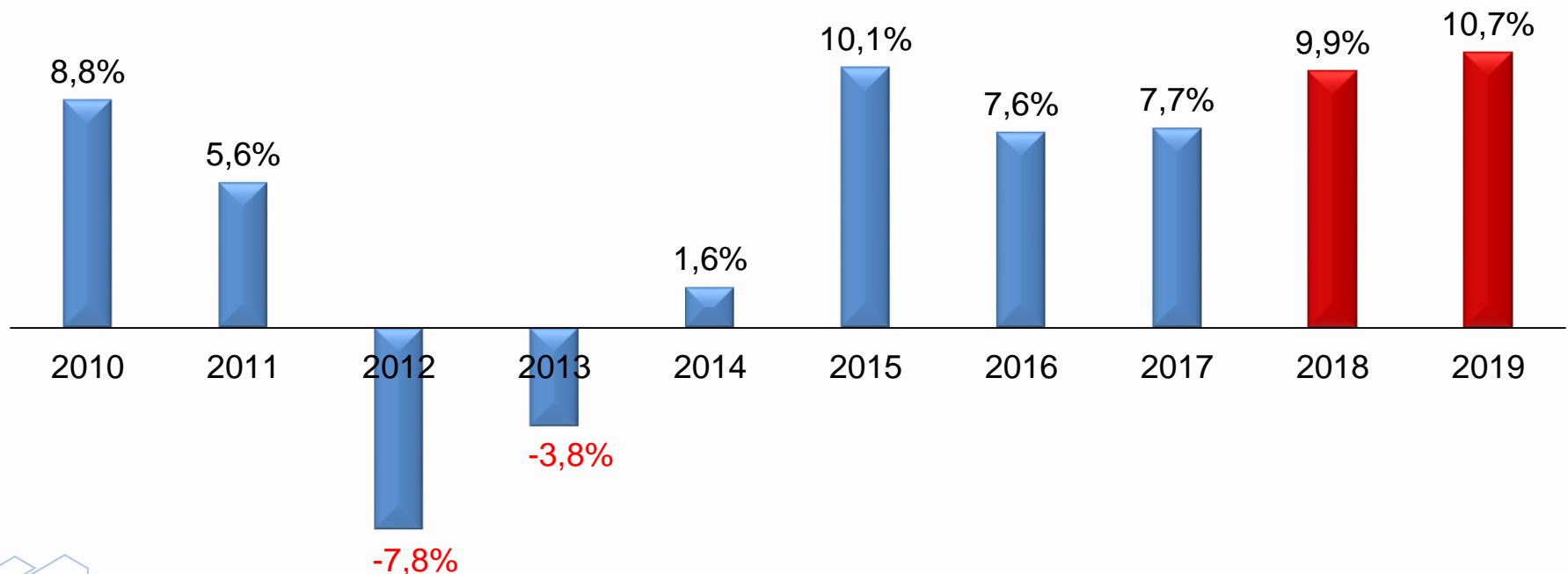
Comparison of window and door manufacturers vs. screen manufacturers



Growth forecasts

- On the basis of the available data, a forecasting model was developed to analyze the evolution of the sector's growth. The results are extremely positive with an expected growth rate close to 10% in 2018 and expected to exceed it the following year. Growth will be driven by both the domestic market and exports.

Expected growth rate expected growth rate of revenues of shielding manufacturers



*2017: Preview
*2018 - 2019: Forecast

This report was prepared by Carmine Garzia on the basis of data processed by the Economic Studies Office of UNICMI - Unione Nazionale delle Industrie delle Costruzioni Metalliche dell'Involucro e dei Serramenti.

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