

Overview of the Italian Building Supply Market

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UNCERTAINTY

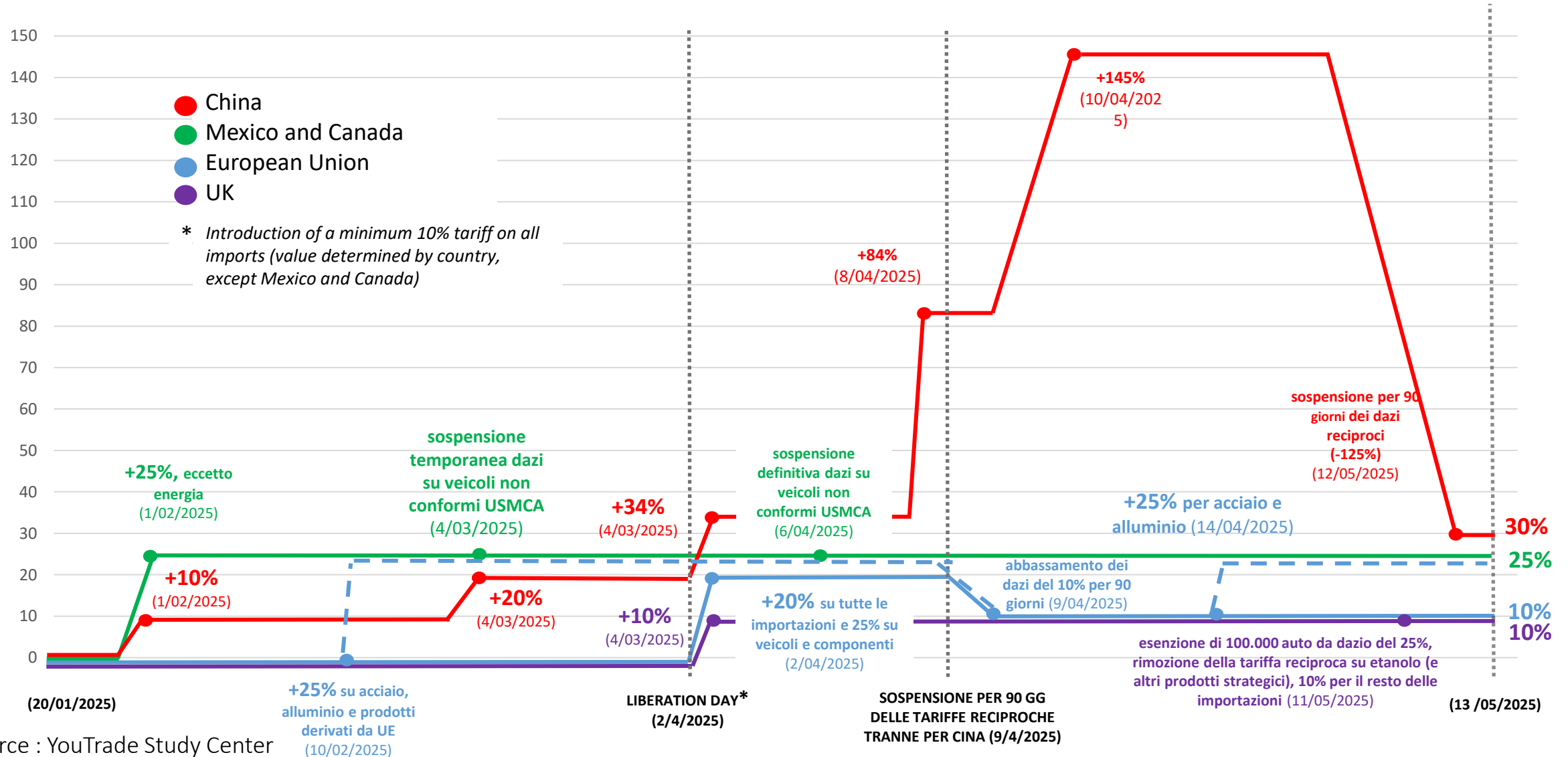
UNPREPARED

NON-LINEAR

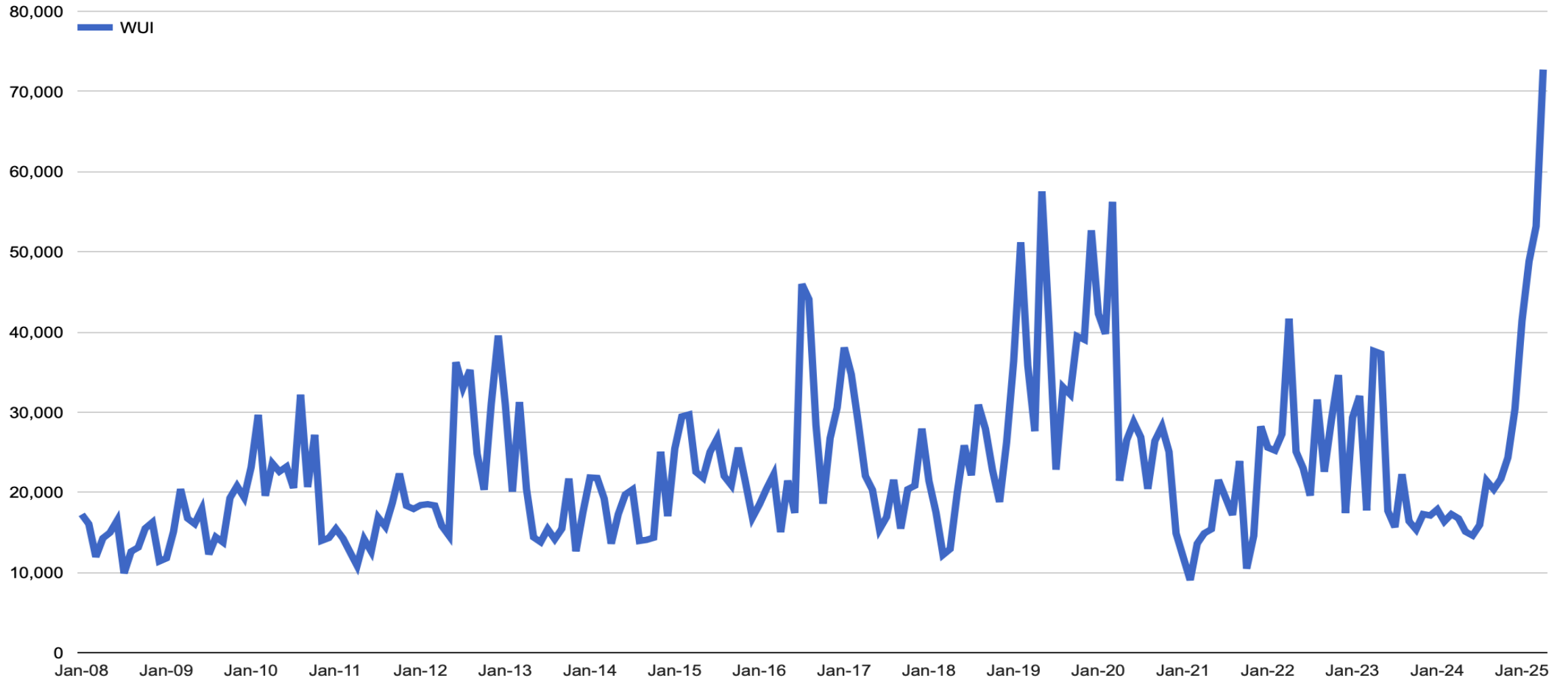
The carousel of uncertainty

Changes in tariffs imposed by the Trump administration in the first half of 2025

(dates relating to the day of promulgation and percentages relating to all imports, unless otherwise indicated)

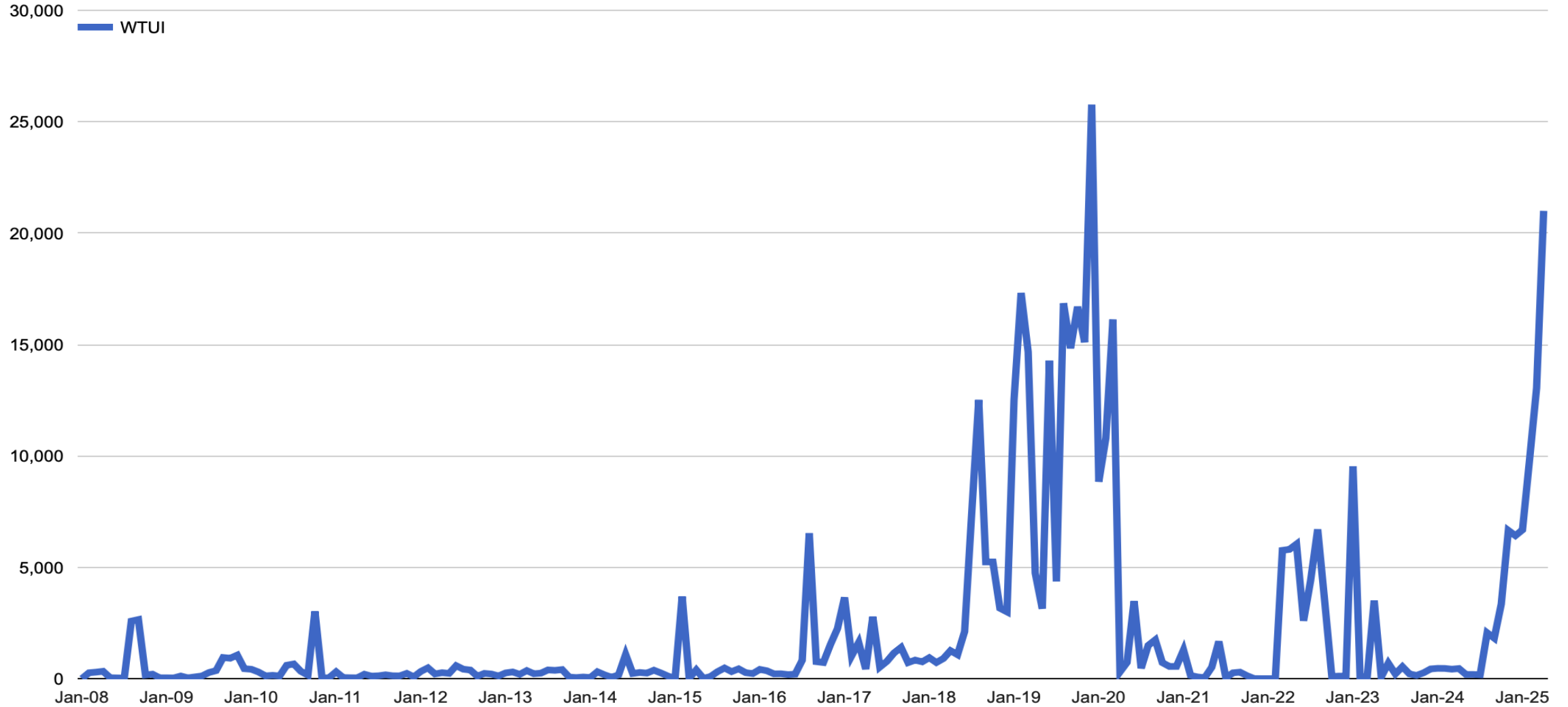


World Uncertainty Index



Source: worlduncertaintyindex.com

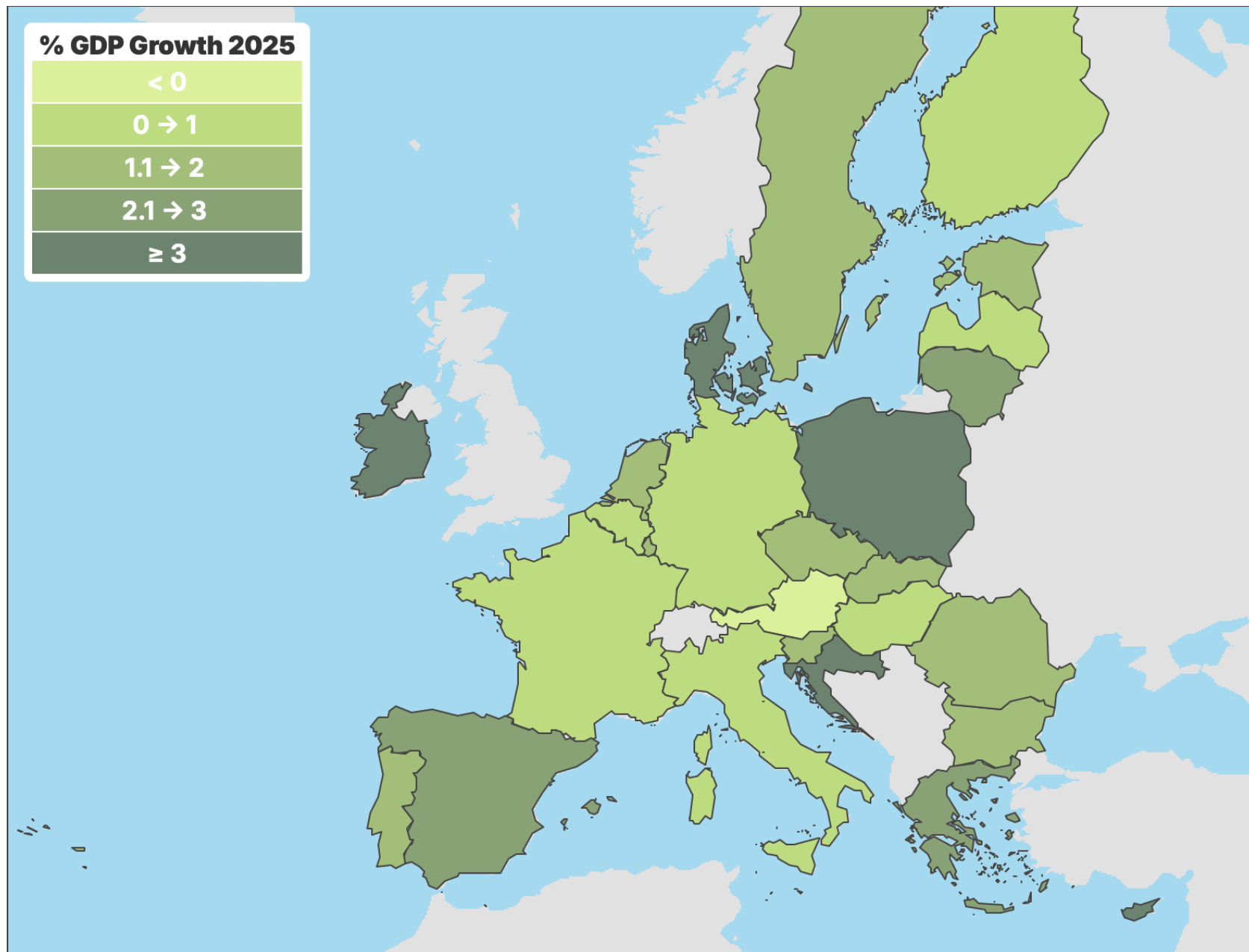
World Trade Uncertainty Index



Source: worlduncertaintyindex.com

The European economic scene

GDP growth map 2025



Source: European commission, European Economic Forecast, Spring 2025

Moderate growth expected in the EU



GDP

EU:

2024: **1.0%**

2025: **1.1%**

2026: **1.5%**

Euro area:

2024: **0.9%**

2025: **0.9%**

2026: **1.4%**



Inflation

EU:

2024: **2.6%**

2025: **2.3%**

2026: **1.9%**

Euro area:

2024: **2.4%**

2025: **2.1%**

2026: **1.7%**



Deficit

EU:

2024: **-3.2%**

2025: **-3.3%**

2026: **-3.4%**

Euro area:

2024: **-3.1%**

2025: **-3.2%**

2026: **-3.3%**



Unemployment

EU:

2024: **5.9%**

2025: **5.9%**

2026: **5.7%**

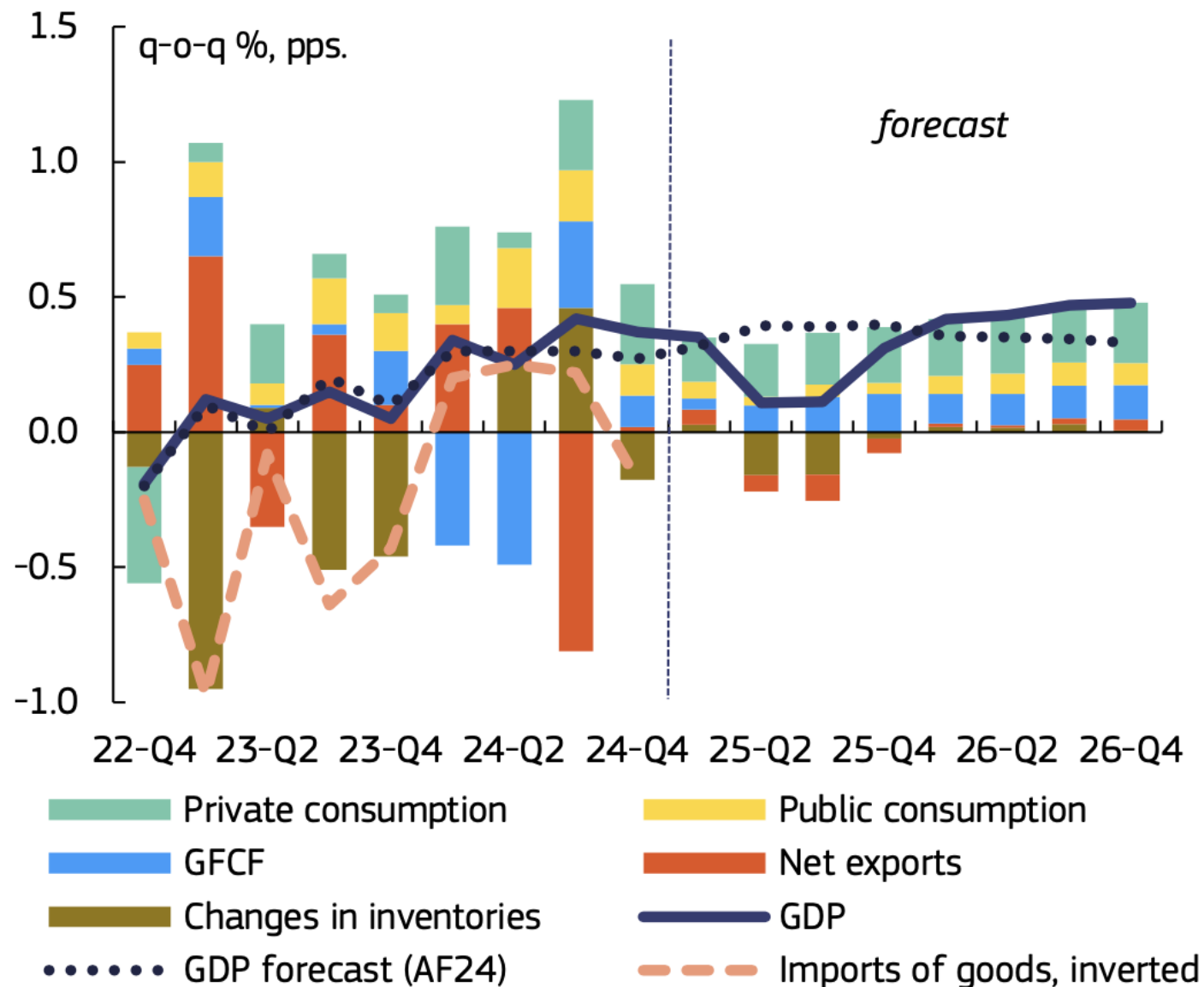
Euro area:

2024: **6.4%**

2025: **6.3%**

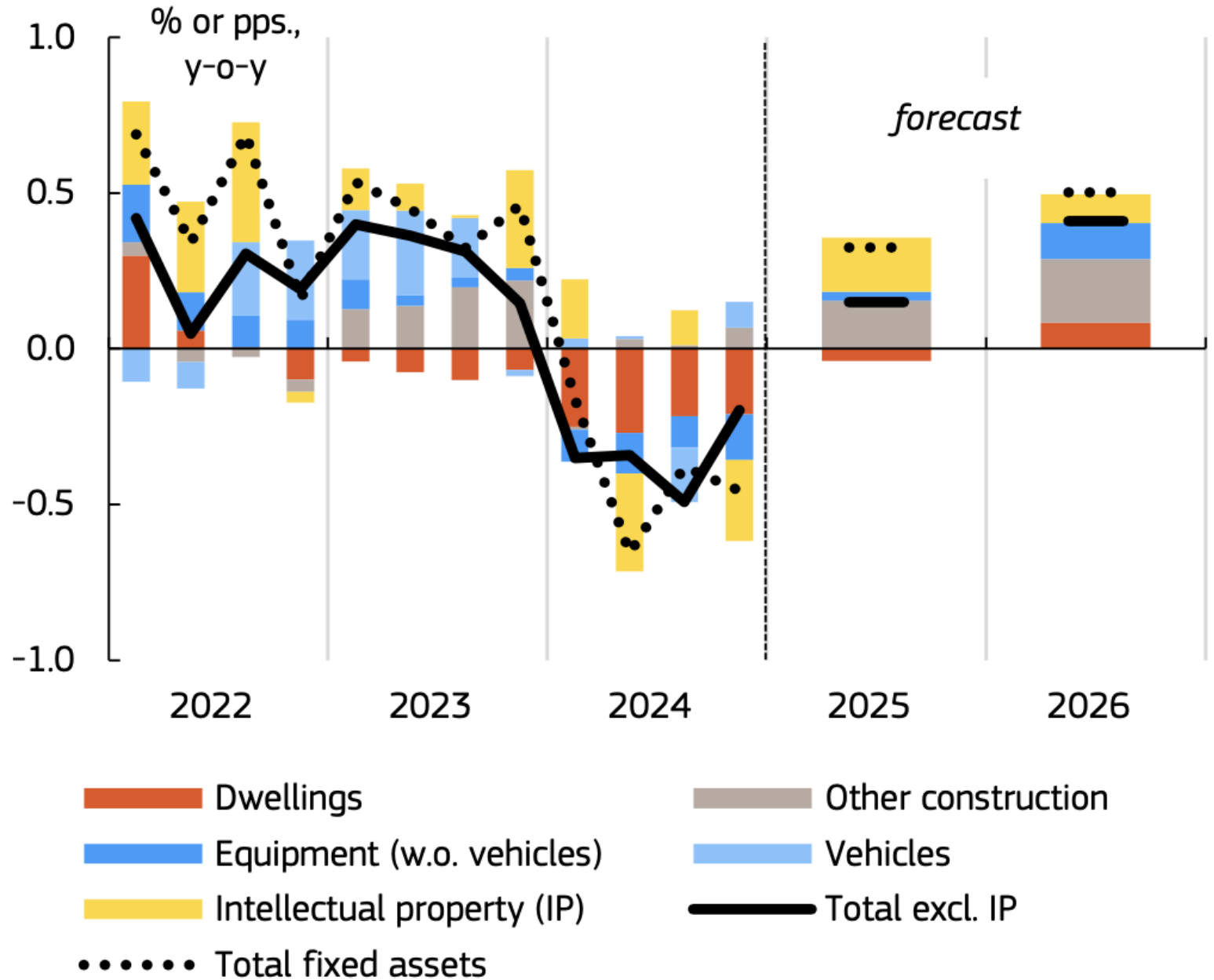
2026: **6.1%**

Real GDP growth and its demand contributions, EU



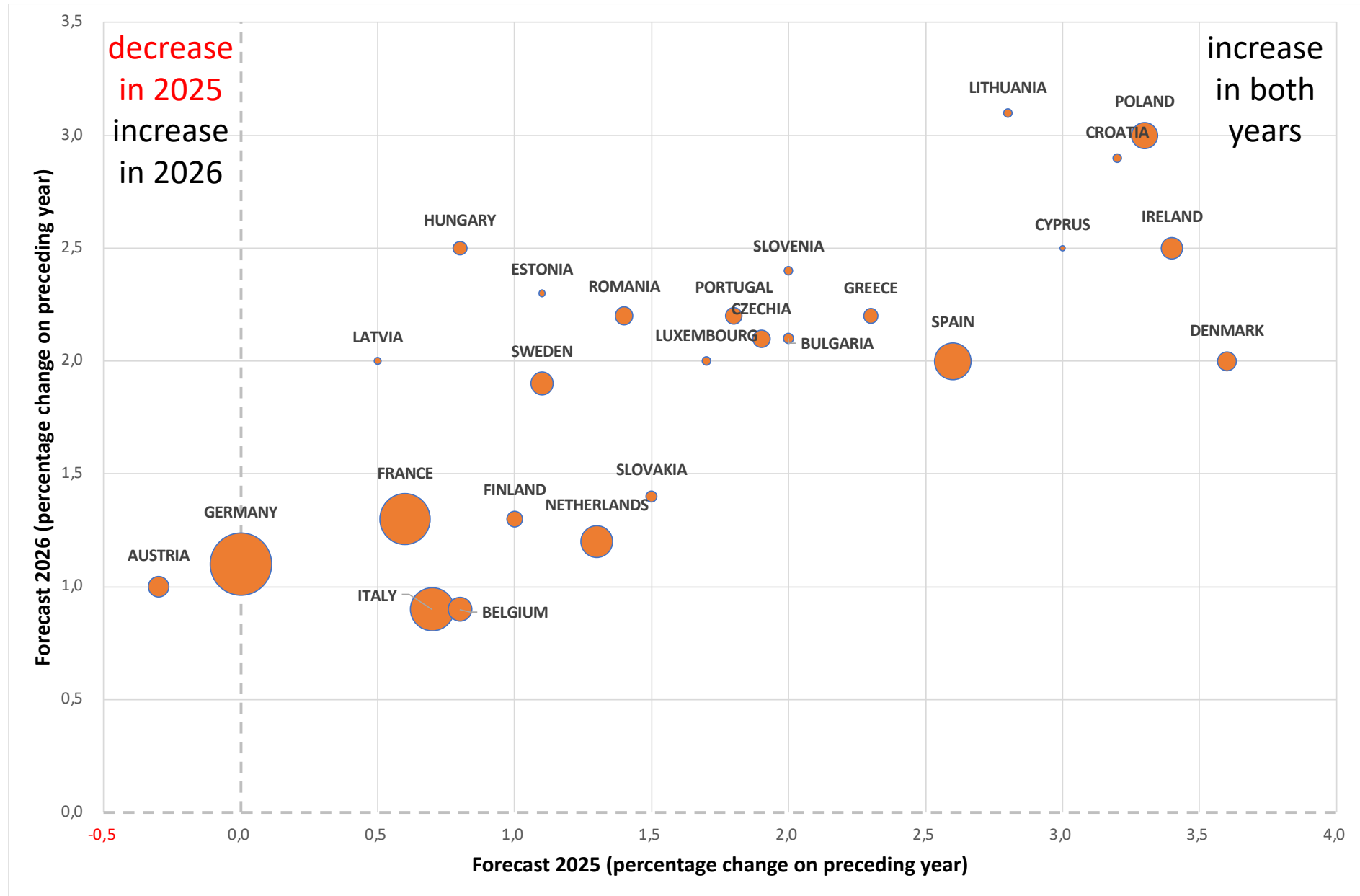
Source: European commission, European Economic Forecast, Spring 2025

Investment contribution to GDP growth, EU



Source: European commission, European Economic Forecast, Spring 2025

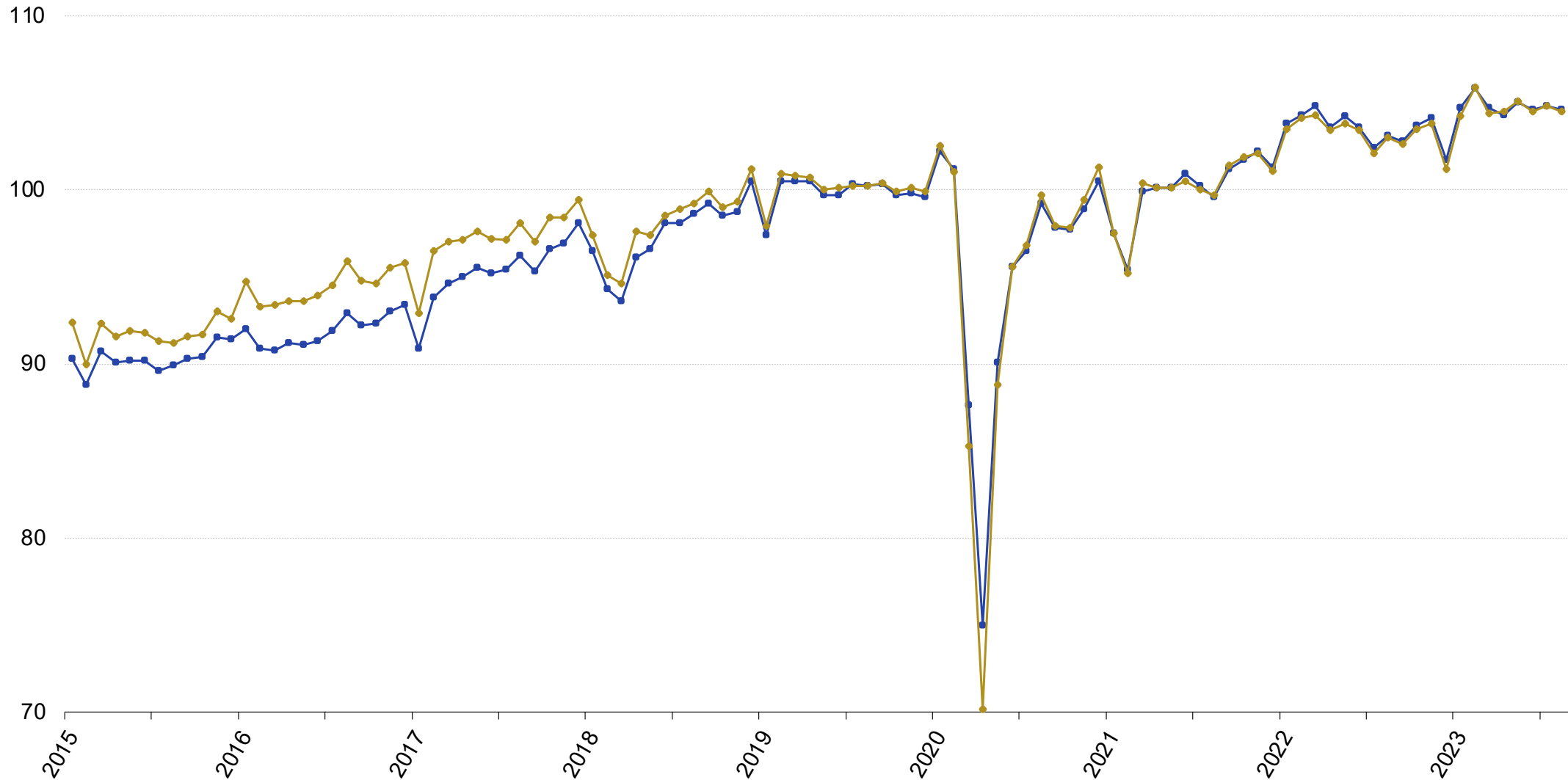
Expected growth in European countries, 2025-2026



The construction market in Europe and in Italy

Construction production, EU and euro area

index 2021=100, calendar and seasonally adjusted data, 2015-2024

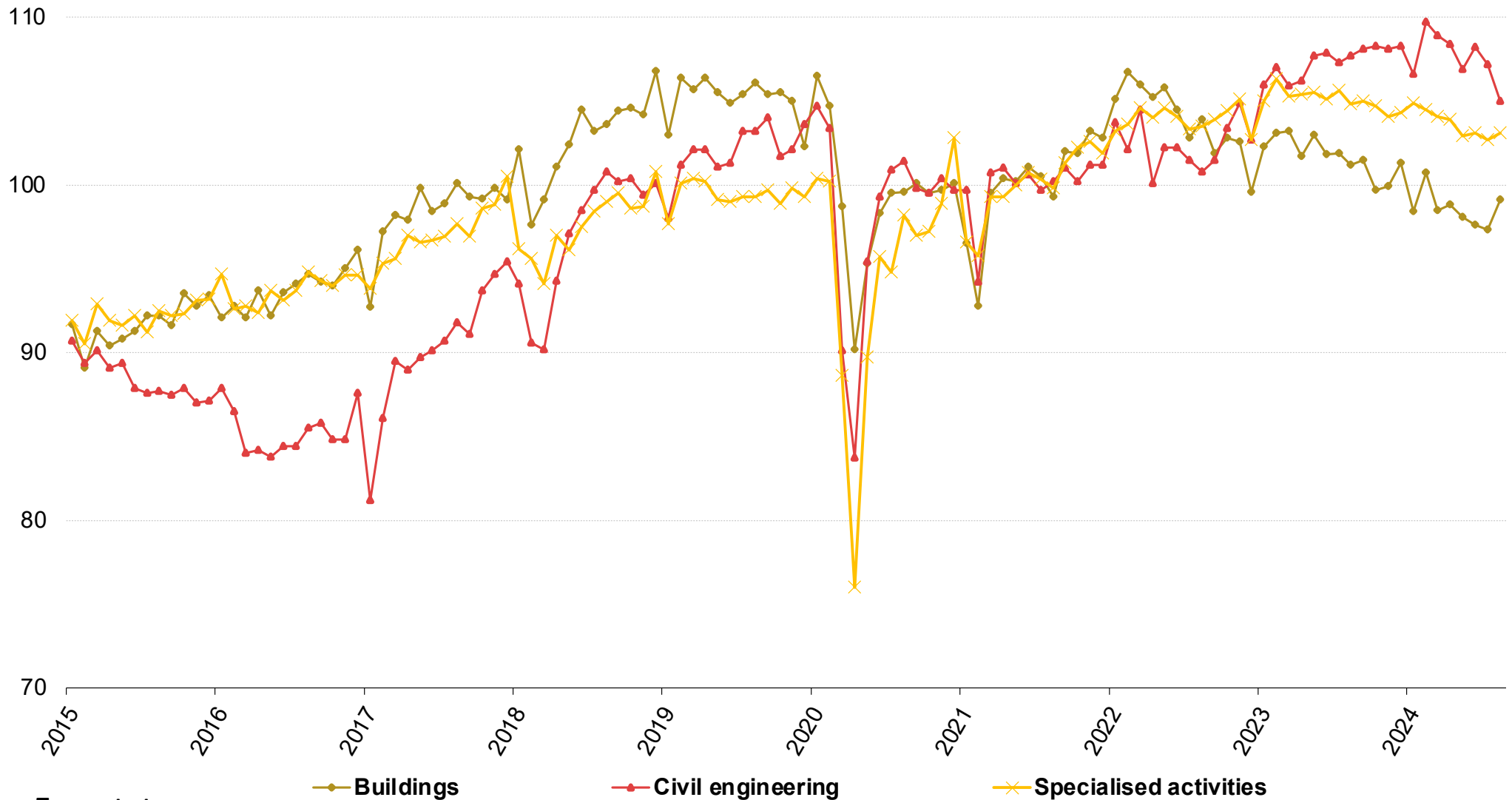


Source: Eurostat

EU Euro area

Construction production per type

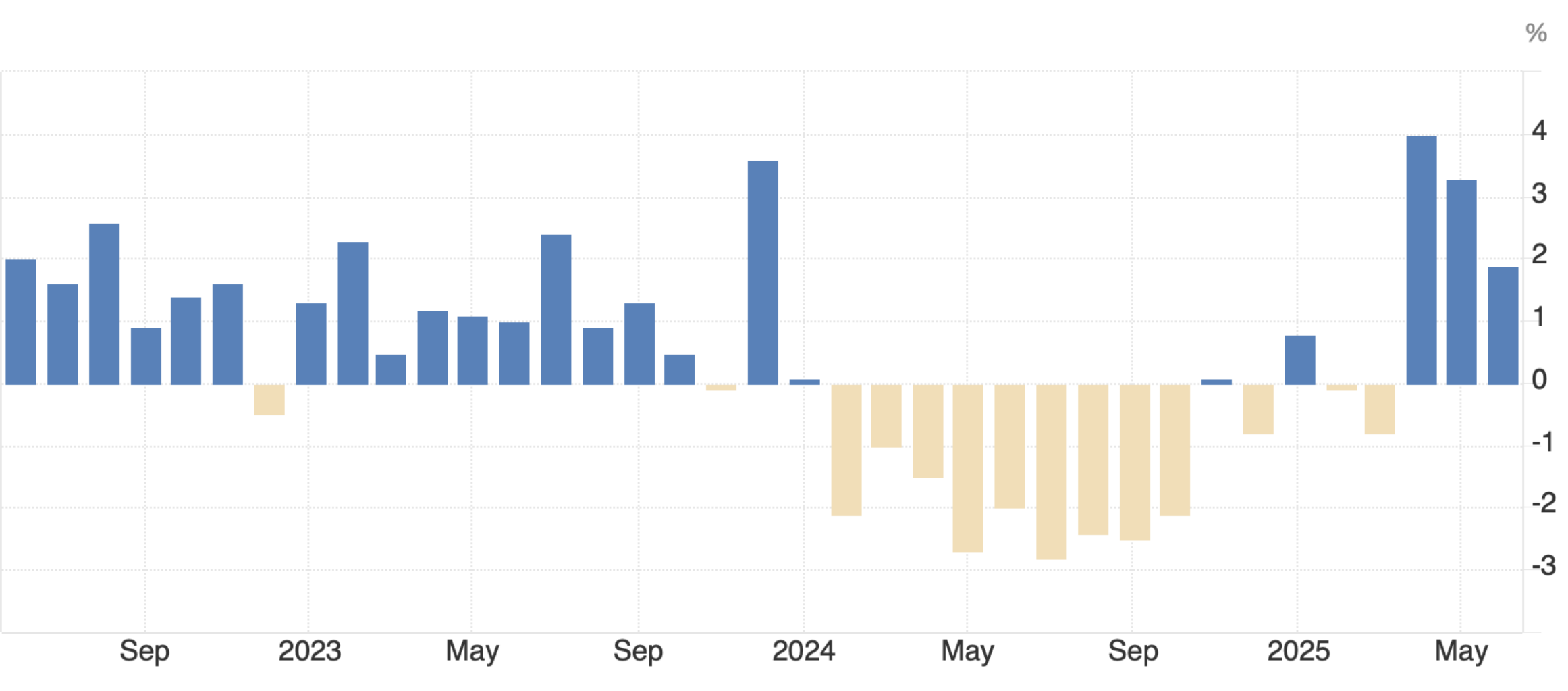
index 2021=100, calendar and seasonally adjusted data, 2015-2024



Source: Eurostat

European Union construction output

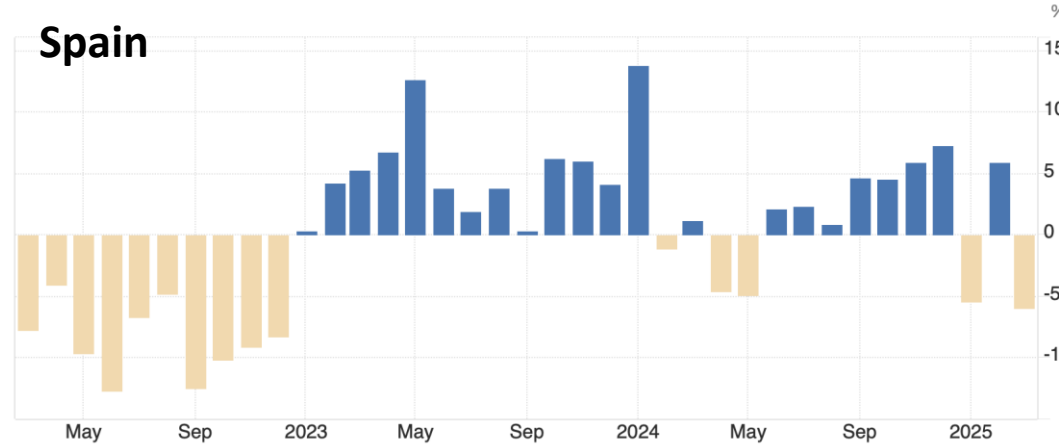
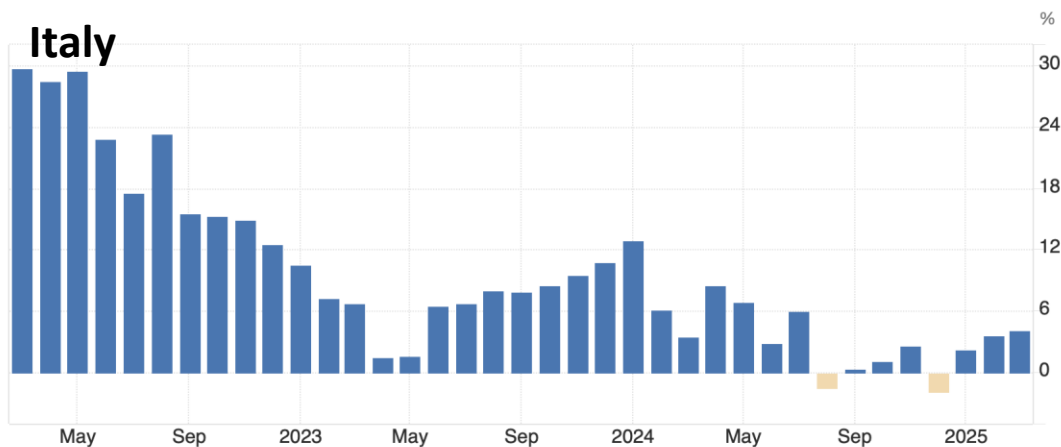
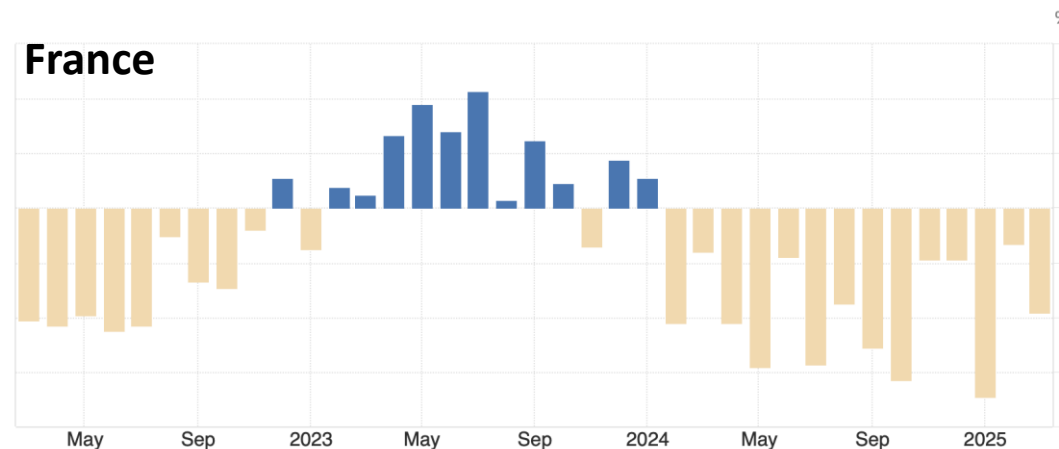
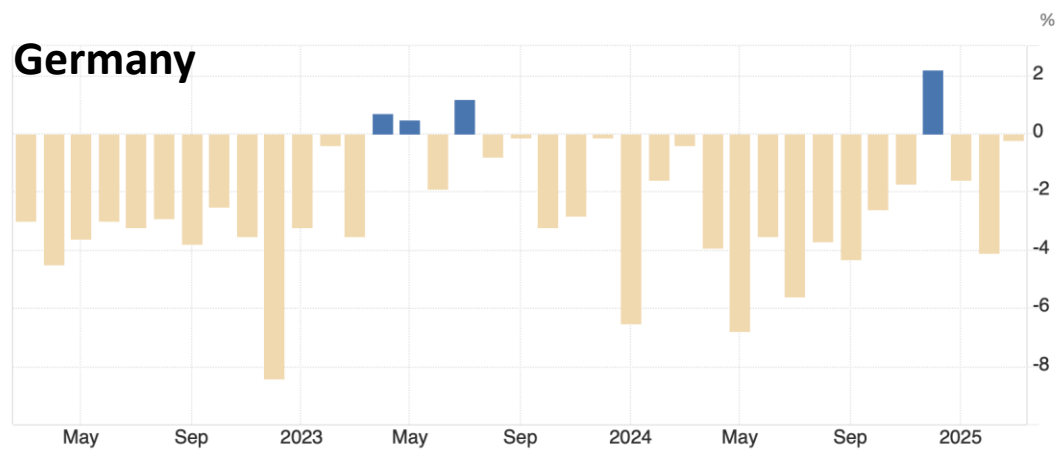
2022-2025, monthly percentage change y-o-y



Source: Eurostat

Comparison of the most important construction markets in Europe

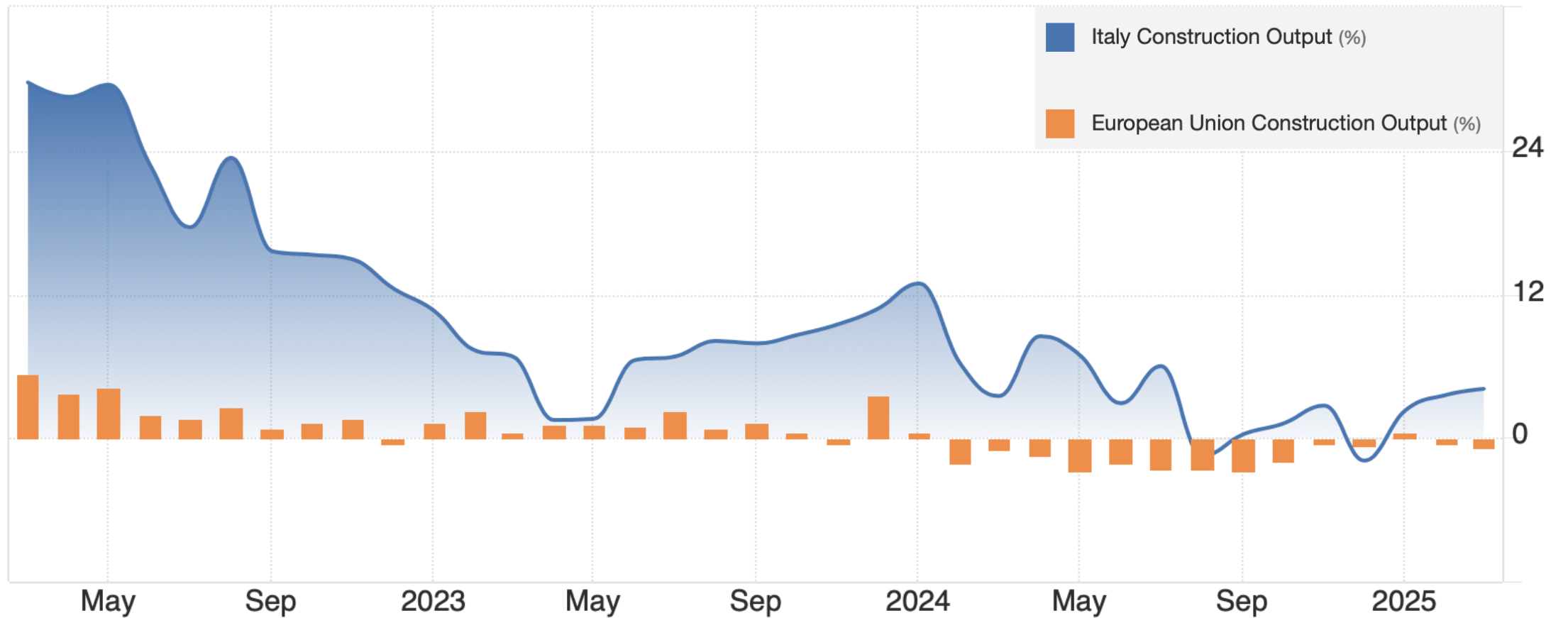
2022-2025, monthly percentage change y-o-y



Source: Eurostat

Comparison between the dynamics of the construction markets in Europe and Italy

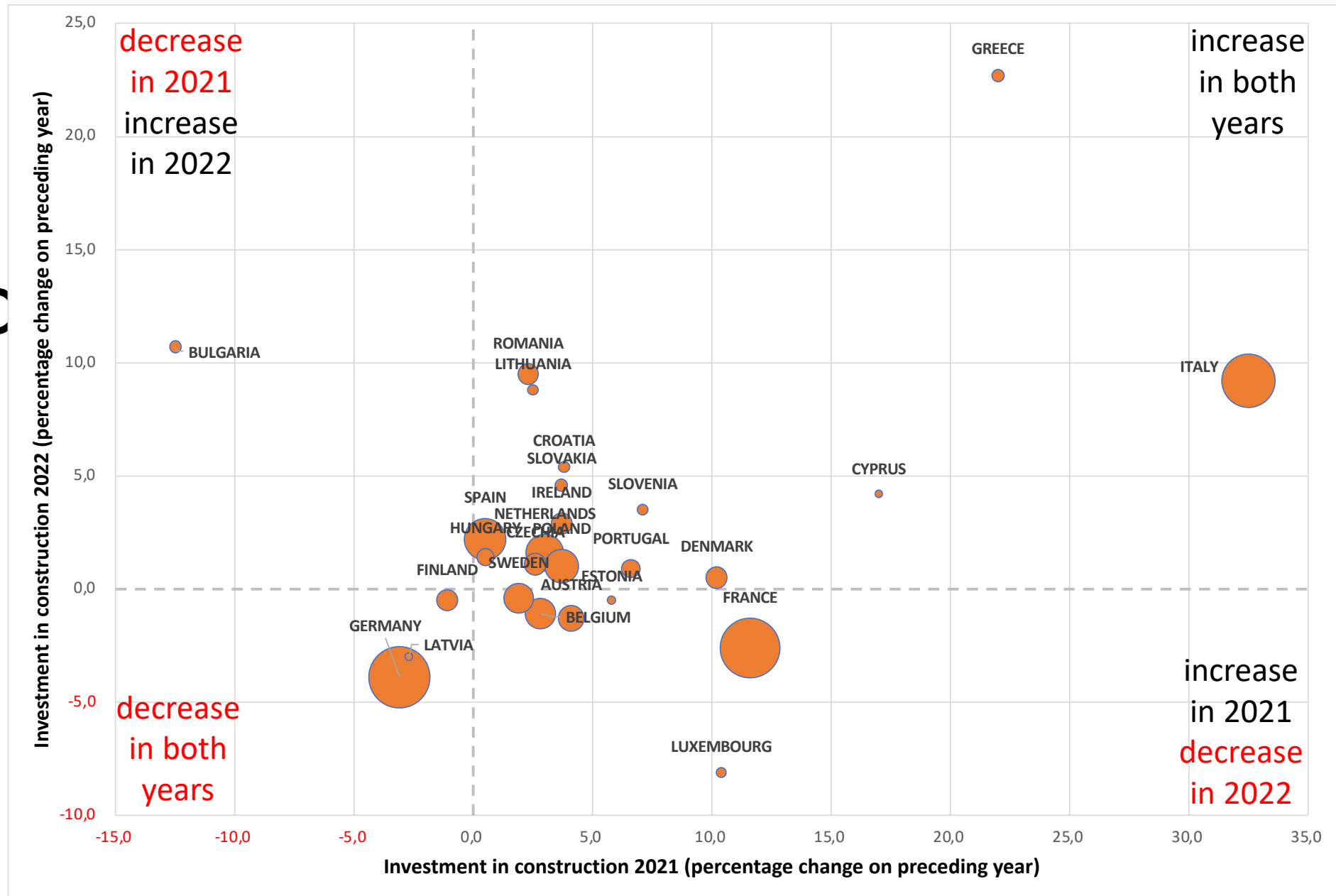
2022-2025. monthly percentage change y-o-y



Source: Eurostat

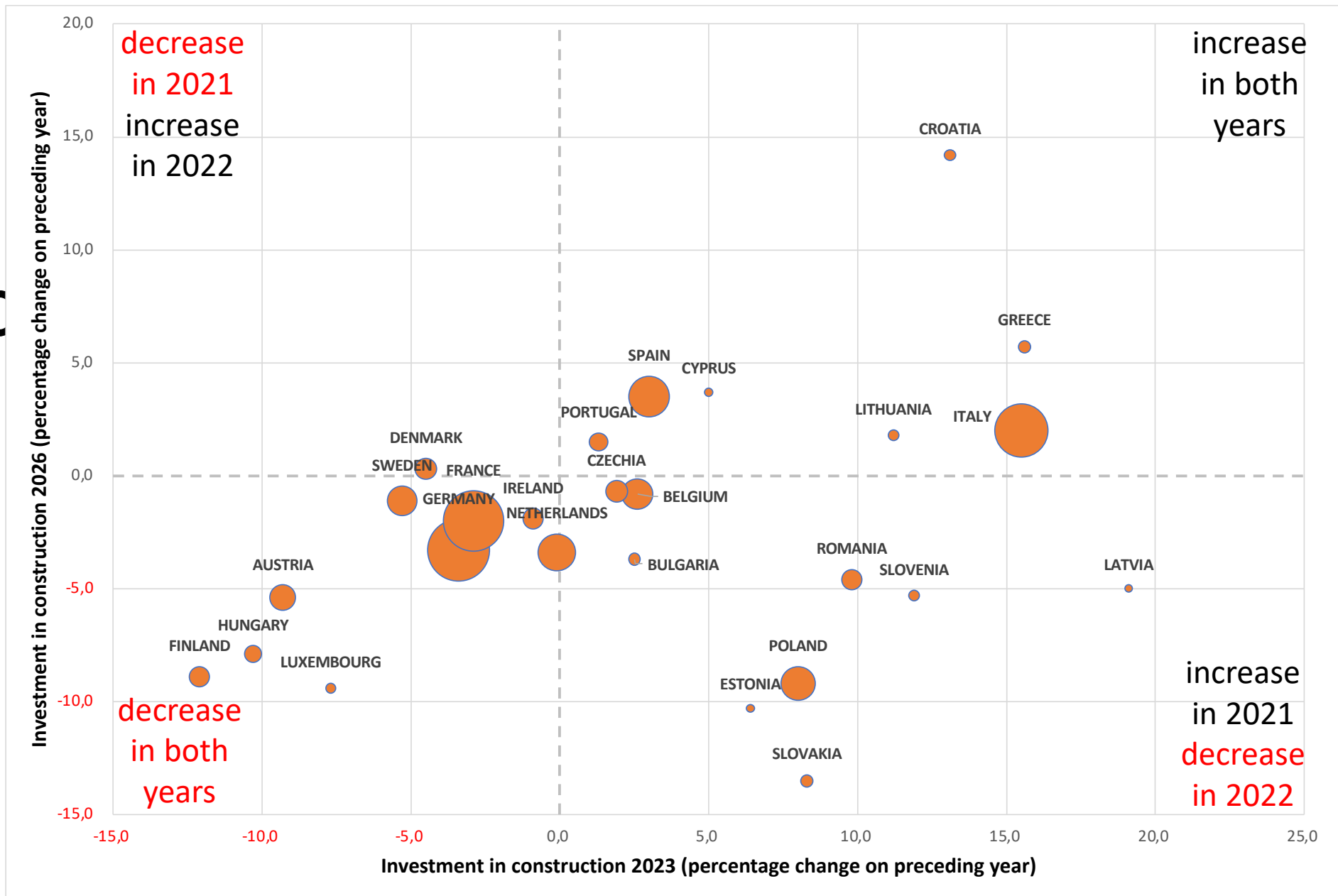
What happened in 2021 and 2022

Construction turnover



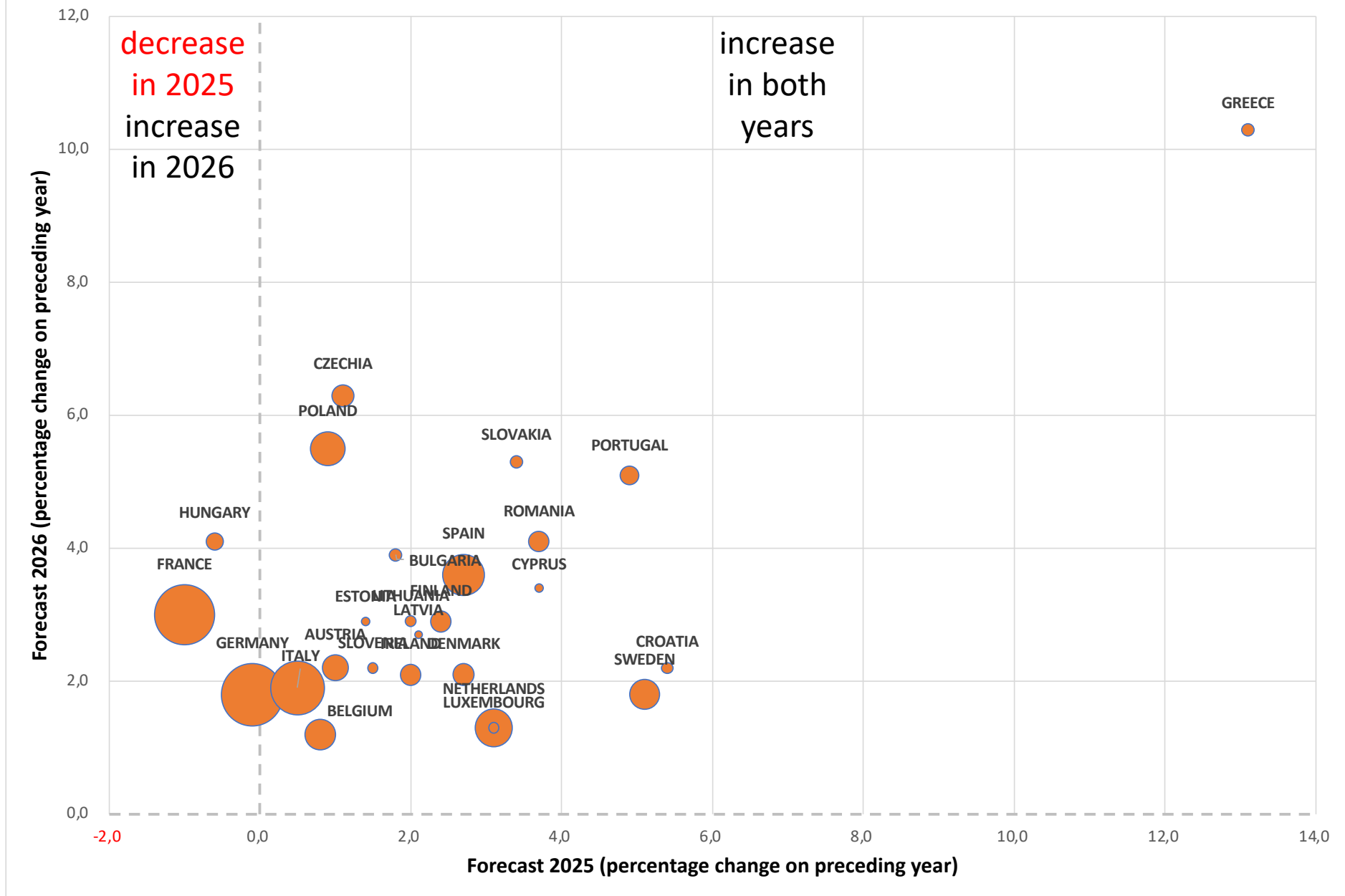
What happened in 2023 and 2024

 Construction turnover



What will happen in 2025 and 2026

Construction turnover



The growth areas in Europe

- All European countries are showing a recovery and growth in the construction market, which will be significant in 2026
- In the European construction market, civil engineering and specialized works are growing more than the residential sector
- Uncertainty will slow private residential investment, but public investment is growing, especially in Next Generation EU countries

The Italian construction market

Post-pandemic economic recovery 2021

GDP	+8,9%
Gross fixed investment	+21,5%
Construction investments	+32,5%

Post-pandemic economic recovery 2022

GDP +4,8%

Gross fixed investment +7,4%

Construction investments +9,2%

What happened in 2023?

GDP	+0,7%
Gross fixed investment	+9,0%
Construction investments	+15,5%

How did 2024 end?

GDP	+0,7%
Gross fixed investment	+0,5%
Construction investments	+2,0%
	Previous forecast Autumn 2024 (-2,6%)

What awaits us in 2025?

GDP	+0,7%
Gross fixed investment	+0,8%
Construction investments	+0,5%
	(-3,8%)

Previous forecast | Autumn 2024

And what is expected for 2026?

GDP	+0,9%
Gross fixed investment	+1,5%
Construction investments	+1,9%
	(+2,0%)

Previous forecast | Autumn 2024

Market forecasts

UNICMI Observatory

Percentage changes on the previous year



Source : UNICMI - Elaborazioni su dati ISTAT

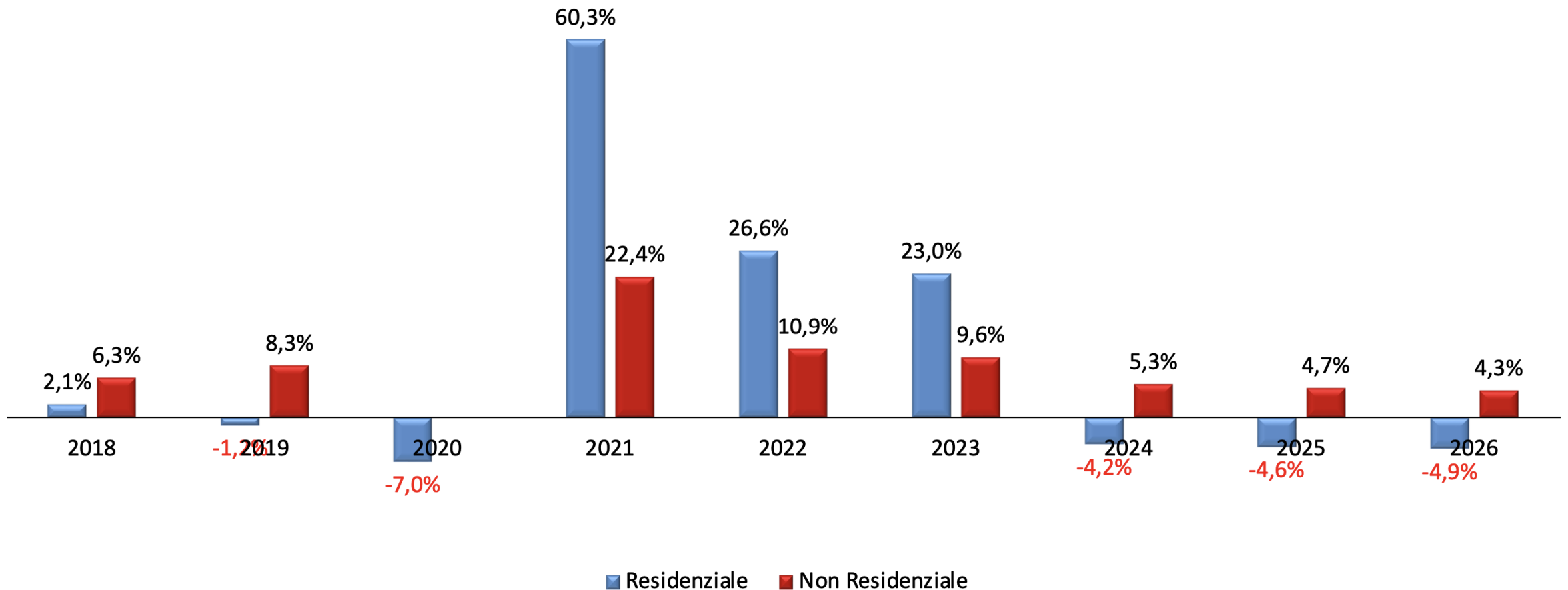
Construction market in Italy in absolute values

Investment in construction - values in millions of euros

NUOVI DATI 2025	2021	2022	2023	2024
TOTALE COSTRUZIONI	169.747	202.142	239.261	241.965
Abitazioni	90.370	114.442	140.728	134.770
Altre costruzioni	79.377	87.700	98.533	107.195
VECCHI DATI 2024	2021	2022	2023	
TOTALE COSTRUZIONI	166.734	200.560	209.246	
Abitazioni	93.683	115.244	119.744	
Altre costruzioni	73.051	85.316	89.502	
<i>Differenza</i>	<i>3.013</i>	<i>1.583</i>	<i>30.015</i>	

Source: ISTAT

A changing market: less residential, more non-residential



Source: UNICMI

The Italian Building Supply Market

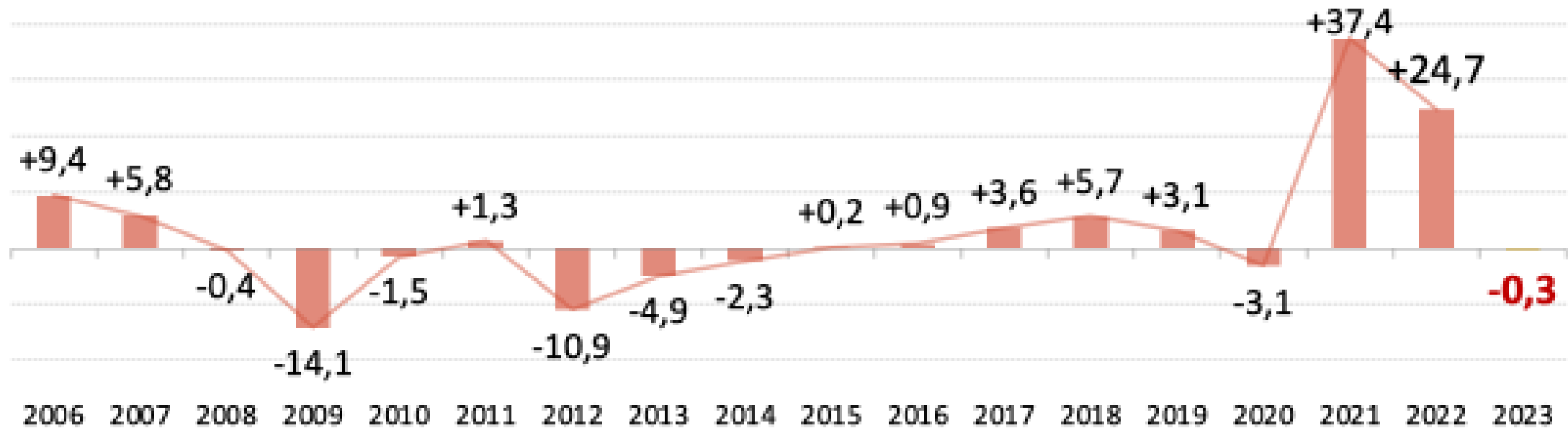
1st overview: the big revolution

Number of firm in the Italian building supply market

	2019	2024	<i>% change</i>
Wholesalers	5,358	3,812	-28.9%
Retailers	7,037	6,776	-3.7%
Overall total	12,395	10,588	-14.6%

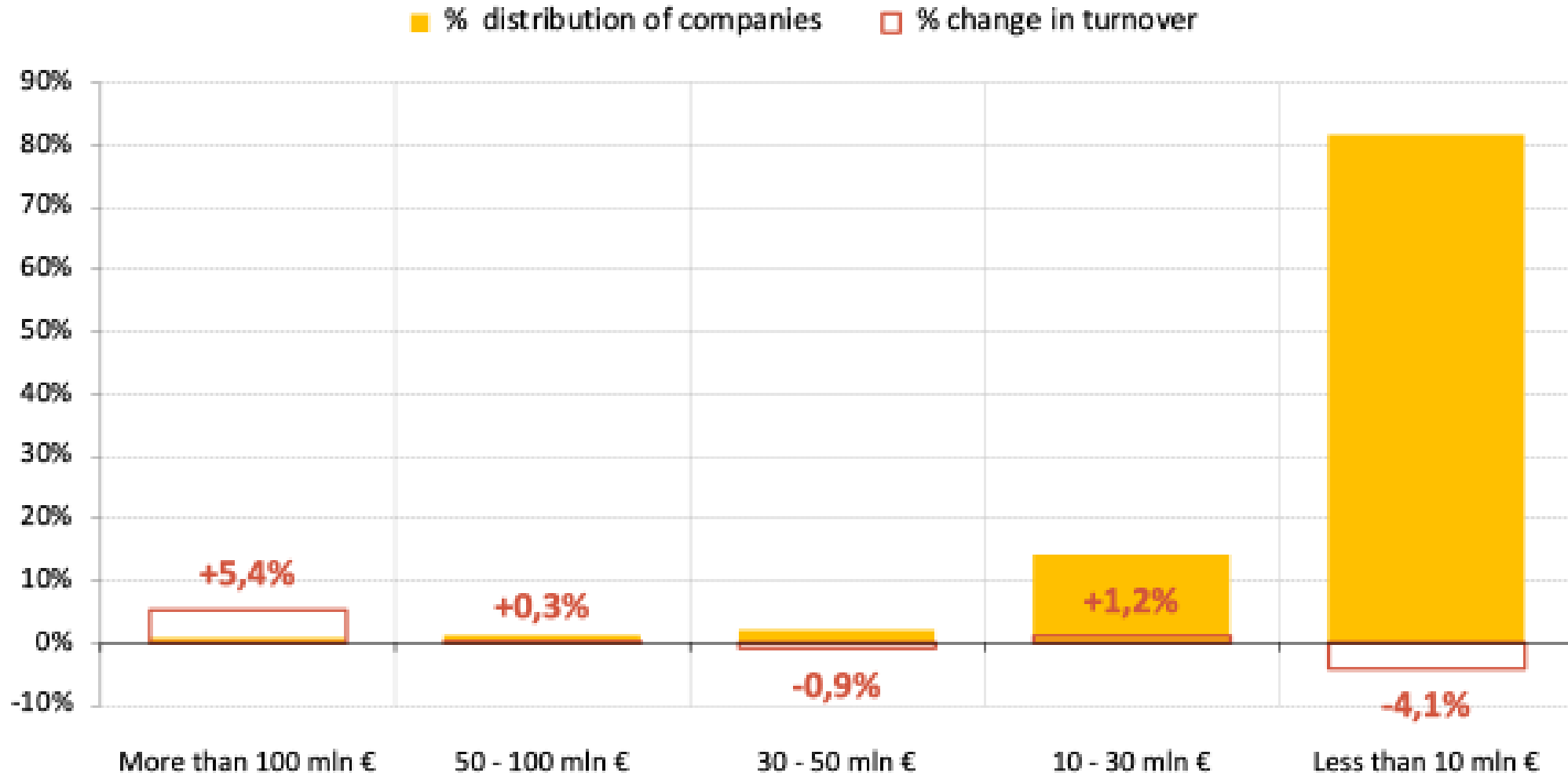
2nd overview: the market trend

Turnover trend - Percentage changes on previous year



The strategic issue of the companies' size

Percentage changes in turnover by company size class (2023/2022)



Highlights from our annual balance sheets analysis

	2020	TOP 100 2020	2021	TOP 100 2021	2022	TOP 100 2022	2023	TOP 100 2023
% change in turnover over previous year	-2,7	-4,0	37,4	42,8	27,6	29,3	-0,3	2,7
% net profit on turnover	3,2	3,9	5,0	5,7	6,5	7,3	6,1	6,5
ROS - Return On Sales	4,8	5,2	7,1	7,3	9,2	9,8	6,7	8,7
ROE - Return On Equity	7,8	8,8	13,8	16,1	19,3	22,3	14,0	16,5
ROA - Return On Aasset	4,4	4,9	7,4	8,2	10,6	12,0	8,0	9,6
Cash flow/turnover	5,4	6,1	7,1	7,4	8,3	8,8	7,9	8,3
Financial Independence Index	40,0	41,0	38,2	36,8	39,2	38,5	38,1	40,9
Quick liquidity ratio	1,1	1,1	1,1	1,1	1,2	1,2	1,3	1,3

Source: YouTrade Study Center

Some highlights

- The Italian construction supplies market is currently contracting after strong growth, with a light slowdown expected in 2025 due to reduced government incentives for residential renovations, although the infrastructure and industrial sectors remain robust.
- There is a growing trend toward sustainable and energy-efficient products, driven by environmental concerns and the new EU EPBD IV directive.
- Despite challenges such as regulatory hurdles and slow permit issuance, digitalization is transforming the entire construction sector, including the building materials distribution sector, and future growth prospects are positive for those who can address these challenges.

Our strategic point of view

Despite forecasts of a slight decline,
the construction economy in Italy
remains strong...

...and in a strong economy,
we need to address the weak points.

Where to start?

Let's start with the (very) weak point: if it's the trend market that has built your growth (Superbonus, Next Generation EU) and you haven't grown thanks to your own skills, the risk is that you'll always be dependent on what happens outside your company.

Growth isn't enough! You need a strategy to develop your business and not just adapt to the market, because «the boat is sailing anyway...»

As long as the wind is at your back, who's stopping you?

Only traffic!



But if you have the wind against you, you have to know how to sail... and whoever has the best boat and the best crew travels the most.



In a market that will grow less, our competitiveness must be found:

- in **efficiency**: doing better what we already do
- in **innovation**: doing things we don't do
- in **strategic marketing**: consolidating what we've done and going where we haven't been yet, exploring new markets:
 - typologically: **what I sell**
 - territorially: **where I sell**
 - relationally: **who I sell to**

To conclude: I don't wish you the wind in your sails,
because with the wind blowing behind the sails anyone is
capable!



I wish you to be the **best upwind sailors**, because that's where races are won and that's **where we can make the most difference today**, because that's where certainly counts:

- the **boat**
- the **competence**
- the **experience**

but also is **where the crew is called upon to carry out their task perfectly**



Good sailing to everyone!



Thank you for your attention!



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