**Sae Flex, 30 years of growth in the iron and steel industry**

**The Brescian company looks to the future, supported by a consolidated generational transition and an average age of 40**

To those who think that 30 years is not long, just think of the revolutions that the industry and processing operations have undergone in this same period of time. It is the era when the vast majority of processes have switched from pen and paper to full digitisation. And to tell us how a company was able to grow in this context is **the CEO of the Brescian company Sae Flex, Angelo Medici**, an enterprise specialised in the supply of hydraulic products and services for the iron and steel industry and beyond.

# In October of this year Sae Flex will celebrate its 30th anniversary. A decidedly important accomplishment. How has the way you work and your business model changed during this time?

I would say that it has undergone a revolution, once upon a time a notebook and a telephone were enough, but today more and more skills and expertise are required. The technology used on the hydraulic market has become increasingly important over the last 30 years, driving products to achieve increasingly higher levels of performance in terms of quality. We also focused on improving the value given to our human resources by creating the most congenial conditions to stimulate innovation, with optimal and optimised work organisation, specific training and product courses, an improved working environment with new spaces, a software structure always abreast of the times and our demands, state-of-the-art equipment, a relaxed, clean and safe working environment, but above all our ability to listen to and share the demands of our customers. Nowadays, everyone needs increasingly customised solutions from all points of view. Finally, compared to our competitors, we have expanded and improved our relationships with our long-term suppliers and introduced new ones; a policy that has also been replicated in relation to our customers. Today, it would be unimaginable to work without control over areas with capillary budgets, in addition to periodic business plans and prompt profitability control systems.

# You specialise in the iron and steel industry, over these 30 years, how have customer requirements changed?

More than requirements, I would say that over these 30 years our customers have changed. Today, the iron and steel sector accounts for around 52% of our revenue, a value that is still high, but one that indicates higher levels of independence and diversification from a single customer or sector. We have over 1,300 customers currently active, so with different requirements and management that can, however, be fully integrated through digitisation within our FTP systems. If I had to summarise it further, I would say that the common denominator is the need for services. Services that must ensure immediate or maximum 24 hour technical/commercial responses for most of the products on offer, together with swift shipments and fast deliveries. Aspects that make planning more complex and difficult, in the case of the iron and steel industry, include problems of a technical nature requiring extraordinary maintenance, increasingly frequent service interventions as the “historical” technical expertise of customers is renewed and the difficulty of ensuring a plant system operates correctly is also based on experience and not simply theoretical knowledge. In recent years, there is an increasing trend to convince the supplier to be a sort of spare parts warehouse, almost eliminating the internal inventory of customers.

# 2022 was a record year for Sae Flex. What was the focus in accomplishing this goal?

We probably found the market conditions favourable in terms of investments. This is also due to the strategy and the timeliness of our response policy I mentioned earlier. It is certainly also thanks to the size of our market, which leapt from a provincial level to a national level. In addition, Sae Flex’s “customised” or “tailor made” products are difficult for our competitors to replicate, which has also generated a certain financial autonomy allowing us to expand our customer and supplier portfolios with significant increases in stock capacity. This led to an increase in turnover of 22% year on year, amounting to € 18 million in revenue. A growth level that is even above the average indicated by Assofluid as +19% per year. Other important aspects refer to EBITDA which increased by +106% and our net profit by +214%, which amount respectively to €2.1 million and €1.15 million.

# Despite your long history, you are a company that looks to the future, both given the average age of your employees under 40, and the fact you have already made the transition from the first to the second generation. How did that go? What does your strategy for the future focus on?

I am very proud to say that the transition from the first generation to the second generation went smoothly and without any difficulty. I have had the opportunity to collaborate for some years now with my nephews Pietro and Natale and my niece Lucia, who are also partners; in addition, my son Evaristo joined us a year ago and perhaps, post master, his brother Edoardo will do the same. I would therefore say that the presence of the new generation has now reached a certain level of importance and, contrary to what some might think, it is stimulating to encounter new entries as they are clearly focused on and open to technological innovation, which also serves to engage with new domestic and international markets. In addition to their professional expertise, one thing I particularly appreciate is the education and the willingness to empathise with collaborators, to make them feel at home, part of the family; this helps considerably in obtaining maximum collaboration, attention and commitment from everyone. Each of them have taken on their roles very seriously, and they are all focused on achieving the results expected of them. Today we are probably one of the few enterprises in Italy that can guarantee our partner customers and/or suppliers medium and long-term relationships given the very low average age of our managers and collaborators. I feel proud in saying that we do not have the problem of owners over 70 years of age that affects a considerable number of businesses in our country.

# Do you have any other investments in the pipeline for the coming years?

Although we remain focused on our core business, we have set ourselves further growth targets of a certain importance and to be achieved over the next three years, or five at the most. We want to reach a turnover of €30 million. And this despite the market: except for a few rare exceptions, is a market that, although quite important, normally grows one figure at a time. So, in addition to investing in improving our ability to serve our customers, we can't expect to accomplish a particularly robust growth without finding different solutions. For this reason, we are looking to achieve possible growth from mergers and acquisitions, especially after the experience of the transaction with the company Rexoil in Modena. An acquisition that took place five years ago, with the aim of operating in the Emilia-Romagna area, and as of this year merged by incorporation with Sae Flex. Our attention has been focused on a territory that can introduce the Sae Flex brand and its products and services to potential new customers, or to customers who are already active but necessarily more focused on local enterprises. Moreover, we could also extend our partnership relations to other companies operating on common markets or with technologies that can be combined with hydraulics, making us more competitive also on international markets. Given the current situation, we think it is difficult for medium-small sized competitors to endure the competition

and the costs required to achieve correct management of their firms. Likewise, we also view the emergence of new competitors very difficult, with the current situation of costs, finance and bureaucracy in Italy. There are, however, definitely the right conditions for possible alliances based on a win-win logic.

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