

## PRESS RELEASE

**News highlights-** The first half of the year ended well for Varvel with +46% orders over the first half of 2020 and +15% over the same period of 2019. These positive figures are the result of our commitment on many fronts with major investments in digitalization, efficient stock replenishment strategies, close contacts with suppliers, product development, and consolidation of the internationalization process. The Varvel Group is riding the recovery and reasserting its reliability.

### **VARVEL GROWTH RESUMES IN 2021. INVESTMENTS IN DIGITIZATION AND EFFICIENT STOCK REPLENISHMENT PLANNING DRIVE THE RECOVERY**

*Orders have been on the rise during the first half of the year. New personnel has been hired and the digitization and internationalization processes have been expedited. The health and economic crisis of 2020 was overcome by Varvel through a combination of quick market responses and internal evolution that was ahead of its time.*

**Valsamoggia (BO), July 2021** - The first half of the year for Varvel ended extremely positively with +46% orders over the first half of 2020 and +15% over the first half of 2019. The export share totaled over 70%, while personnel increased by 5% in the first six months of the year. Figures like these testify to the good work done by the Group to boost the recovery and confirm that our response to the health emergency was effective and timely.

In particular, the pandemic pushed us to evolve faster than originally planned, accelerating the digitization process. The scheduled introduction of many digital tools was shifted forward and the IT infrastructure responded to the new requirements rapidly facilitating the transition to working from home. The IT infrastructure itself has been reorganized. It is now split into two mutually specular rooms, located in different buildings to protect from blackouts and malfunctions. We also set up fiber-optic lines allowing connections of up to 1 Gigabit/s and an artificial intelligence module for the early detection of the most recent cyber threats that traditional antivirus programs miss. The investments in new technologies totaling approximately EUR 300,000 were gaged at optimizing our internal processes and maintaining contacts with current customers and prospects.

The sharp rise in the prices of raw materials was another issue we were forced to tackle in the early months of 2021. It was driven by the upturn in industrial production in the main world economies, which added to restrictions on supply. Due to uncertainty in the markets, manufacturers have not been able to draw up long-term production plans, and this has also impacted prices. We at Varvel are aware of how crucial it is to be recognized as a reliable partner and promptly took action by analyzing and modifying our stock replenishment plans. Our quick response to unstable markets allowed us to guarantee acceptable delivery times.

Contacts with suppliers to verify their available production capacity were equally essential. At the same time, we searched for new partnerships in areas less affected by the health crisis to supplement coverage of needs.

Today and in the future, we at Varvel Group aim to be a partner for companies that want to count on a reliable supply chain, driven by product quality and control. This reliability is guaranteed in Varvel by the experience of our history and our entirely Italian production.

On the production level, we have continued to develop our range of gearboxes and gearmotors. Important technical updates have improved the quality and durability of our products while maintaining their trademark high performance. We will be launching a fully revised version of the size-28 worm gearbox on the market during the second half of the year.

As part of our internationalization process, we recently extended the status of authorized exporter also to South Korea, Peru, Colombia, Ecuador, Central America, and SADC (Southern African Development Community) countries. This means we will be able to manage the relationships with our local customers with less paperwork and limit the impact of customs duties wherever possible.

All this news is accompanied by refreshed communications. We developed a new company profile for printed and digital versions and a new corporate video.

After a challenging 2020, we have demonstrated that we know how to deal with unforeseen circumstances responsibly and proactively, supplying our customers on time and ensuring their production continuity. Galvanized by the experience of these times, we are ready to ride the recovery and take on all the new challenges that will be thrown our way.

## **VARVEL GROUP**

*The Varvel Group has been designing and producing power transmission systems for various industrial applications (like packaging, livestock feed systems and access automation and control) and for innovative applications like wind turbines and photovoltaic fields since 1955. With unrivaled experience accumulated in over sixty years of activity, a production capacity of over 500,000 gearboxes a year and a turnover of around 50 million Euros, Varvel offers customers a vast range of standard products and custom solutions for specific requirements. The entire product range is designed and made in Crespellano, near Bologna in northern Italy, where Varvel has its HQ. The company exports 70% of production through two subsidiaries (one in the USA and another in India) and a global network of over 100 commercial partners. Further information is available on the website [www.varvel.com](http://www.varvel.com)*

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