

PRESS RELEASE

News in brief – Rising commodity and energy costs have in no way slowed down the growth of the Varvel Group: preliminary figures show +11% compared to 2021 in terms of turnover. Over the course of the year, huge investments were made in digitization, innovation and human resources. More than 25 new recruits, mostly under the age of 30, joined the Group, thus expanding the potential of our team.

A POSITIVE 2022 DESPITE THE COMMODITY AND ENERGY CRISES. DIGITIZATION, INNOVATION AND HUMAN RESOURCES ARE KEY TO STAYING AT THE TOP

The Varvel Group faced the difficulties and market instability with a constructive approach. Everyone's hard work and commitment paid off as outstanding results have been achieved. Major investments in digitization, efficient stock replenishment strategies, close contact with customers and suppliers, product development, and the consolidation of the group's internationalization process are all activities which underpinned Varvel's business throughout 2022.

Valsamoggia (BO), December 2022 – The year which is coming to a close has seen us face some unexpected difficulties quite independent from the normal dynamics of our industry. The emergency in the costs of commodities was compounded by the sharp rise in energy costs. These conditions have put the resilience of many businesses in Italy to the test. Despite this, however, the Varvel Group has succeeded in growing further still: preliminary data show a +11% in turnover compared to 2021.

The surge in prices seems to have reached its peak, although nobody can tell whether it is really over yet. Whatever the future holds in store, we have taken on the challenges we have encountered with a constructive approach. Everyone's efforts have enabled us to manage relations with Customers and Suppliers in a satisfactory way and to achieve good results. These positive figures are the result of a commitment on many fronts with major investments in digitization, efficient stock replenishment, ongoing product development and consolidation of the internationalization process.

We continued our innovation journey throughout 2022. First of all, by purchasing new machinery to boost production, then by adopting a new organizational model: the DDMRP method. Varvel also joined an Open Innovation project to experience augmented virtual reality and is currently developing two trailblazing projects using nanotech, with a view to increasing the efficiency of lubrication in our products and reducing production plant energy consumption levels.

Our sales organization also recorded major accomplishments, having been bestowed with the “Excellent Company” award at the Sales Excellence Awards.

In recent months, we also focused our efforts on the brand new Varvel website, which will soon be online. Restyled, on-trend graphics have been combined with an easy-to-use navigation logic to create a more user-friendly point of contact between the Group and users, while at the same time making our communication more effective.

To strengthen our team, more than 25 new recruits have joined the Group, most of whom are under the age of 30. They cover positions in various company departments, mainly in Operations. Varvel has also signed a new agreement to have the Arca Di Noè social cooperative take on another disabled person to cope with the increased demand for small assembly jobs that Varvel contracts out to the cooperative.

The year 2022 has therefore proven to be a positive one in spite of the difficulties encountered along the way. Credit undoubtedly goes to the value of the people who work for Varvel: everyone has made a valuable contribution to the company's success and to its continued growth. It is comforted by this fact that we can face the upcoming challenges and opportunities with peace of mind.

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

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