

Financial services

Italy urged to boost appeal of Milan bourse after delistings

SILVIA SCIORILLI BORRELLI — MILAN

Italy must do more to attract companies to the Milan stock exchange after the bourse lost some of its biggest names this year, including the holding group for the billionaire Agnelli family and luxury-shoe maker Tod's, industry experts have warned.

Exor, the investment vehicle for the Agnelli's, and luxury-shoe maker Tod's are among almost two dozen groups that have delisted from Borsa Italiana this year or have announced plans to do so, cutting the overall market capitalisation of companies on the exchange.

While Exor, Tod's and Atlantia, Italy's biggest infrastructure group — another high-profile departure — each had specific reasons for leaving, analysts say that a combination of complex listing rules and falling share prices have put Borsa Italiana at a disadvantage compared with larger exchanges.

"The broader issue is that many companies find the Milan stock exchange increasingly less attractive compared to other countries," said Giancarlo Giudici, a corporate finance professor at the Politecnico di Milano School of Management. "It's a matter of having to deal with domestic regulators; the requirements are complex, as are the procedures."

The FTSE MIB index, Italy's flagship stock market index, has fallen roughly 20 per cent this year, underperforming other main European indices.

This year the Italian finance ministry

'It's a matter of having to deal with domestic regulators; the requirements are complex'

sought to revise the rules governing initial public offerings in an attempt to boost listings. In August, for example, a stipulation requiring that all IPO prospectuses be translated into Italian was ditched, streamlining the process.

Nor has Borsa Italiana, which the London Stock Exchange sold to Euronext for €4.3bn in 2020, been without its successes this year. It has attracted 20 companies, with Technoprobe, a maker of testing equipment for semiconductors, with a market value of €4.4bn the biggest newcomer.

While it lacks any significant tech companies, the exchange is home to several luxury groups, reflecting their

standing in the domestic economy.

Moncler, Brunello Cucinelli and Salvatore Ferragamo are all listed on Borsa Italiana, while Prada is exploring a secondary listing in Milan. Renzo Rosso's Only The Brave group is also looking at going public in Milan by 2024.

Guglielmo Manetti, the chief executive of Milan-based investment bank Intermonte, said that, although Borsa Italiana has appeal for medium-sized companies, more radical changes are required to draw larger ones.

Italy does not, for example, allow shares with more voting rights, as several other markets do. "This is a feature that has attracted large Italian companies, such as Exor, to delist from Milan stock exchange and move to the Dutch stock exchange," said Manetti.

Fabrizio Testa, Borsa Italiana chief executive, acknowledged that "we must continue to change processes, rules and laws to respond to the needs of entrepreneurs".