Agorà Catering is the first Italian SME to securitise in London

The expert: 'They risk making Palermo the country's financial capital'.

LUGANO, SWITZERLAND, August 6, 2022 /EINPresswire.com/ -- Agorà Catering is the first catering company in Italy to activate the securitisation of its receivables. And this innovative approach to credit management, contrary to popular belief, does not come from Milan, the country's financial capital, but from Palermo.

Securitisation is the process whereby future cash flows - such as catering contracts - are advanced to the company by the international financial market, allowing, on the one hand, the company to obtain immediate liquidity against future contracts. On the other hand, the market invests at a more advantageous interest rate than other financial products. In other words, it is an alternative to resorting to bank credit, which is already a reality, generally used by European and American companies.

In Italy, securitisation is used exclusively by banks, which reap all the benefits. In contrast - despite a European regulation inviting the Member States to encourage companies to use it - it is completely unknown even to large companies, let alone SMEs such as Agorà Catering.

A curious exception is Agorà Catering, a Palermo-based catering and restaurant company, one of the best-known event management companies on the island. Its visionary director, Dr Fabrizio Piazza, knows well that quality service is not enough to grow in the market. It also requires managerial and management skills. And capital is needed. Managing the company's cash flow allows investment to grow, but management cannot be limited to bank credit.

'The problem of under capitalisation of Italian SMEs stems from their small business structure, family management, and the traditional banking system,' explains one expert. 'Italian SMEs cannot mobilise liquid capital to make investments: this is the difference from the Anglo-Saxon market. If you have a quality product, you can mobilise the resources for exponential growth in those markets. Hence the stories of the American entrepreneur who started from the garage and arrived to create the multinational company. Stories that seem unreal to us. In a system that works: the entrepreneur puts in quality service; the market puts in the capital. With us, entrepreneurs put in everything, and clearly, growth will be modest,' the expert concludes.

Agora's securitisation is being closely followed by several observers, and not only in Palermo. If the Palermo-based company were to succeed in placing its securities on the London or Dublin stock exchanges, the world's largest trading venues for securitisation securities, it would be proof that what normally happens for foreign companies is also within reach of Italian SMEs.

Agorà Catering has already set up its own vehicle company, Agorà SPV srl, which has already been registered in the register of securitisation companies held by the Bank of Italy and has already transferred the receivables to the vehicle company by publication in the Official Gazette. The company is currently finalising the drafting of the prospectus and the application for the assignment of the ISIN code. Once the securities have been issued, they will apply for admission to the specialised London market.

Agorà catering is an example of how a historical entrepreneurial reality in southern Italy integrates itself into the global financial market to access credit on more advantageous and competitive terms. 'They risk making Palermo the country's financial capital,' jokes the expert.

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