

PRESS RELEASE

Fondo Italiano d'Investimento: Third Successful Exit for FICC in Less Than Two Years.

Marval, a Leader in Critical Components for Heavy Duty Engines, Sold to Azzurra Capital

Milan, 19th August 2024 – Fondo Italiano d'Investimento SGR announces that it has successfully reached an agreement for the sale of the majority stake in Marval, a leading company in the production of cylinder heads, engine blocks, and other critical components for “heavy duty off-road” engines, to the Azzurra Capital Fund. This marks the third successful exit achieved in less than two years by the Fondo Italiano Consolidamento e Crescita (FICC), dedicated to supporting the growth of Italian excellence in industries relevant to the national economy.

Entrepreneur Nicola Marchiando and the Marval management team will retain a minority stake and continue to lead the company.

Founded in the 1950s and based in Castellamonte (TO), Marval specializes in precision mechanical machining for cast iron and aluminum engine components for agricultural machinery and earthmoving equipment, catering to both combustion and electric or hybrid engines. With six production plants, including two in Italy, three in China, and one in the United Kingdom, employing around 600 people, Marval serves major international OEMs.

In October 2018, Fondo Italiano d'Investimento, through the FICC fund, acquired approximately 70% of Marval's capital from Mandarin Capital (now Mindful Capital Partners), which held a minority stake, and from entrepreneur Nicola Marchiando. Specifically, Fondo Italiano invested through the vehicle Stark Two, 75.14% owned by FICC, 3.24% by private co-investors, and the remaining 21.62% by HAT Orizzonte (a passive investor).

Over these years, Marval has significantly expanded its business (with an annual growth rate of about 10%), increasing from approximately Euro 80 million in revenue and Euro 17 million in EBITDA at the time of FICC's entry to an expected Euro 160 million in revenue and around Euro 36 million in EBITDA in 2024. Additionally, the Changsha plant was doubled in size, and two new plants were opened in China, one in co-location with Sany and one in Changzhou. A significant expansion of the Castellamonte (Turin) plant will be completed in the coming weeks to increase production capacity for European and American customers. Moreover, the acquisition of ASE, a UK-based company specializing in the production of ceramic brake systems for sports and racing cars, was finalized.

Marval has dedicated significant resources to the study and engineering of components for hybrid and new-generation engines and is well-positioned for a new phase of growth and development in partnership with its customers, supported by the new investor Azzurra Capital, an international private equity fund founded by Stefano Marsaglia, previously co-founder of Peninsula Capital and Executive Chairman of Mediobanca and Barclays' Investment Banking division.



Gianpaolo Di Dio, Chairman of Marval and Chief Investment Officer of Fondo Italiano d'Investimento SGR, stated: *"We are proud to have contributed to the growth of an Italian excellence like Marval, supporting Nicola Marchiando and the management team in their development journey. In a few years, Marval has doubled in size, diversified its customer portfolio and become a reference point for all global manufacturers of heavy-duty engines and machinery. The company's engineering capabilities position it as an innovation hub with significant development prospects and the ability to integrate the supply chain, opportunities that the new shareholder will undoubtedly seize and enhance."*

Filippo Monti, Marval Board Member and FICC Partner, added: *"Marval's success is due to the management team's vision, technological expertise, and customer focus, making the company a strategic partner to many international OEMs. The technical know-how, level of innovation, together with the financial support of Azzurra will ensure a further development phase, both in Italy and abroad, potentially enabling downstream integration in the value chain to further increase the added value of the offering."*

Less than a year after the investment period's closure, the FICC fund has already divested three of the eight companies in its portfolio. Besides Marval, Maticmind was sold to CVC, and Gruppo Florence to Permira, all exits with extremely positive performances – almost reimbursing all the capital invested by investors (DPI of 0.92x including Marval's exit). In August 2023, the second edition of the fund – FICC II – was launched, making its first investment in RINA, a leading global player in naval classification, engineering services, and TIC (Testing Inspection Certification).

The Fondo Italiano d'Investimento SGR team, composed of Senior Partners Gianpaolo Di Dio and Aldo Di Bernardo, Partners Filippo Monti and Guido Figliola, and Associate Leonardo Brusadelli, was assisted in the transaction by the legal team of Gatti Pavesi Bianchi Ludovici led by Barbara Napolitano and Carlotta Marconi, the tax advisory team of Paolo Ludovici and Daniel Canola, and the M&A team of Mediobanca.

Fondo Italiano d'Investimento SGR

Founded in 2010 at the initiative of the Ministry of Economy and Finance (MEF) and participated by CDP Equity, Intesa Sanpaolo, UniCredit, ENPAM Foundation, ENPAIA Foundation, ABI, Banco BPM, and BPER Banca, Fondo Italiano d'Investimento SGR's main objective is to manage closed-end mutual funds aimed at channeling capital towards the system of excellent Italian companies, combining the goal of return on invested capital in line with international benchmarks with that of fostering the growth of the Italian productive system. Fondo Italiano manages 18 closed-end mutual funds reserved for qualified investors, totaling around Euro 3.9 billion of capital under management, and operates through direct and indirect investments (fund of funds). Fondo Italiano considers sustainability a fundamental value and is committed to integrating environmental, social, and governance (ESG) criteria into its investment activities.



For further information:

Roberto Travaglino
Fondo Italiano d'Investimento SGR
+39 02 63532 208
roberto.travaglino@fondoitaliano.it

Thanai Bernardini
External press office
+39 335 7245418
me@thanai.it

Alessandro Bozzi Valenti
External press office
+39 348 0090866
alessandro.valenti@thanai.it