



Tecnica Group strengthens its leadership in the outdoor footwear sector, increasing its shareholding in Lowa and acquiring its main supplier: Riko Sport.

Giavera del Montello, Thursday 25 July 2019 - Tecnica Group has strengthened its leadership in the outdoor footwear sector thanks to a double transaction involving the takeover of Lowa's main production supplier, Riko Sport, and the acquisition of a 15% minority stake in Lowa. This sector, accounting for around 55% of its turnover, represents the Group's core business.

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Based on the agreement finalized in the last days the Castellani family, through Elfra, has sold the entire capital of Riko Sport srl, an Altivole (Treviso) based company and specialised in the production of high-end footwear, to Lowa, part of the Tecnica Group. The Group has also acquired, again from the Castellani family, 15% of Lowa, bringing its shareholding to 75%. The remaining 25% is held by the CEO of Lowa Werner Riethmann.

Riko Sport, with a 2018 turnover of around 110 million euro and an EBITDA margin of over 10%, has been Lowa's main supplier of outdoor, casual, kids, task force and safety footwear for several years, with production facilities spread throughout Slovakia. The Company has 1900 employees and produces approximately 12,000 pairs of shoes a day.

"Thanks to this important acquisition - Alberto Zanatta, Chairman of Tecnica Group, explained – the Group has taken its expansion program to the next stage, endorsed by the positive results of 2018 with a turnover of 400 million euro. The acquisition of Riko Sport will give an additional boost to Lowa's manufacturing framework and enable it to excel in product development. As a Group, the process to reduce the seasonality of our sales continues, strengthening the outdoor footwear industry, a sector which is enjoying constant growth."

Lowa, with a turnover of 192 million euro in 2018, nearly 3 million pairs of shoes sold and constant growth and expansion into many international markets, has made top quality one of its cornerstones. Alexander Nicolai, CEO of Lowa, explains: *"Riko Sport has represented the biggest share of our production capacity in the last recent years. The collaboration with the Castellani family and all the employees has always been very constructive and efficient and we want to thank them for their excellent work done over all those years. With this integration we will be able to realize an even closer cooperation and an improved synergy between the different company departments."*

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“The handover will mean continuity – commented Renzo Castellani, Chairman of Riko Sport – and peace of mind that the business has gone to a solid company and people whose integrity and expertise are well known to us, who are not only close to us geographically but who share our entrepreneurial mindset. In this way the Sportsystem in Montebelluna is safeguarding its unique local know-how.”

The transaction was handled by a group of advisors who included, on behalf of Tecnica Group, the lawyers Andrea Novarese and Maria Cristina Storchi for the legal ramifications and Deloitte for the tax and financial due diligence. Riko Sport was assisted by Ermanno Boffa and Francesco Padovese from Boffa & Associati as financial advisors, and Gianluca Toppan, partner of TP Legal for the legal aspects. To complete the transaction, Tecnica Group obtained a new refinancing loan to ensure the necessary resources to support its development programme. To accomplish this, Tecnica Group was assisted by the lawyers Andrea Novarese and Maria Cristina Storchi, Banca IMI which acted as the agent bank, Banca Intesa and Unicredit (joint bookrunners) and Banco BPM and Commerzbank as arrangers. The Gattai Minoli Agostinelli law firm provided professional advice for all the banks.

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PROFILE

Tecnica Group is a global leader in outdoor footwear and ski equipment and its portfolio includes some of the most famous brands in the sector: Tecnica (ski boots and footwear), Nordica (skis and ski boots), Moon Boot® (footwear), Lowa (hiking and outdoor boots), Blizzard (skis) and Rollerblade (in-line skates).

The company is headquartered in Giavera del Montello (Treviso, Italy) in the heart of the Sportsystem district.

The Group's President is Alberto Zanatta, son of the founder Giancarlo, who is still a board member. Antonio Dus is the CEO. Historically a family-owned business, in 2017 the company widened its shareholding structure to include Italmobiliare which acquired a 40% shareholding in the Group.