



A NEW PARTNER FOR TECNICA GROUP: ITALMOBILIARE EMBRACES THE ITALIAN CHALLENGE TO THE OUTDOOR AND SNOW SECTORS

The agreement that will give Italmobiliare 40% of the Group has been finalized. Tecnica is introducing an industrial plan to reach € 500 million target in turnover. The 2017 results are growing beyond the expectations.

Milan, 30 November 2017 – On the eve of the 2017/2018 winter season, the Zanatta family and Italmobiliare have finalized the deal whereby Italmobiliare becomes a shareholder of Tecnica Group, leader in the outdoor footwear and ski equipment sectors. The transaction, which is based on a € 60 million financial commitment part regarding a capital increase and debenture loan for Tecnica and part related to the direct purchase of a stake from the Zanatta family, allows Italmobiliare to own 40% of Tecnica Group.

The operation was particularly comprehensive as the entrance of Italmobiliare has brought a total restructuring of the financial structure of the Group to further strengthen the company's growth.

Alberto Zanatta, President of Tecnica Group: *“This agreement represents a very important step for our company, proud of our family business history. On the other hand though, we are aware that international competition requires different strategies compared to 57 years ago when the company was founded. For this reason, we are happy for this new path: we have found in Italmobiliare and the Pesenti family a partner that shares our passion and business vision. Benefiting from a unique know-how which has its roots in craftsmanship but also in unique technological and innovative skills, today we can be enthusiastic about our future and ready to reach our ambitious goals.”*

*“With this agreement – **Carlo Pesenti, CEO of Italmobiliare** states – we are joining one of the world leaders in the Sportssystem sector. A company that is well-know on international markets thanks to its iconic brands. Italmobiliare will support the Group's plans for diversification and growth through its financial and management know-how of business development. We are sure that this investment will integrate perfectly our investment portfolio and strengthen our industrial profile in a sector with a great potential growth.”*

Technology, customization, brand reinforcement: these are the elements necessary to face the global challenge in the Sportssystem market on which Tecnica Group plans to maintain its leading role. The Group was founded in 1960 by the Tecnica shoe factory through Giancarlo Zanatta, father of the current President Alberto Zanatta. Over the years it acquired some iconic ski equipment brands of the world and today it is amongst some of the few Italian industrial groups to own important foreign brands: Tecnica (ski boots and footwear), Nordica (skis and ski boots), Moon Boot (footwear), Lowa (German brand of trekking footwear, a point of reference on the global market), Blizzard (historical Austrian ski brand) and Rollerblade (rollerblades and ice skates).

Antonio Dus, CEO of Tecnica Group says: *“The addition of Italmobiliare is a strategic move towards the plans for development of the Group which, after its reorganization in recent years, has started to grow again as per current data. If 2016 was officially marked as the turning point with a consolidated turnover of € 334 million, the plans for 2017 were for*

€ 360 million, an 8% growth more or less. In truth, the preliminary data estimates a final statement of about € 370 million which would mean a growth of 12%. With regards to the EBITDA, the great leap took place between 2015 and 2016 when it settled around € 27 million with respect to the € 21 million of the previous year, therefore a growth of 30%, confirming the 2017 forecast where the EBITDA will be in further growth, potentially above € 31 million.”

Even the data regarding each single brand is positive with Tecnica up by 11% with respect to 2016, Blizzard by 8%, Nordica by 15%, Moon Boot by 50% and Lowa by 15%. With regards to the “snow” market, this data is reflected in the positive sell-in and is a good omen for the upcoming winter season, even if it is early to make an assessment. Moreover, it should be remembered that the Group’s work is seasonally adjusted and more than 50 % of the turnover is linked to the “summer” brands like Lowa, Tecnica Outdoor and Rollerblade. Export is still going strong, around 94%: only 6% is produced for Italy, 25% goes to Germany, 39% to the rest of Europe and 20% to North America.

In January 2016 an industrial development plan to lead the Group towards € 500 million was put into place. **Antonio Dus** affirms: *“This goal was defined by estimating the potential for development of each brand and includes dedicated projects for each one of them. In general, at a Corporate level, we decided to push 4 main strategic lines: the reinforcement of each brand by taking the final customer into consideration; an increase in investment in innovation so as to have a highly differentiated product, as the Group has always done; the investment in additional resources for digital distribution tied to the new trends and habits of the consumers; the implementation of the specific programmes for production and logistics efficiency.”*

This operation was handled by a pools of experts which involved Studio Boffa & Associati for the Zanatta family for the financial side and Latham & Watkins for the legal side. Italmobiliare, instead, was assisted by Leonardo-Houlihan Lokey as its financial advisor while the legal side was handled by Studio Gatti Pavesi Bianchi. Roland Berger took care of the commercial due diligence while PWC handled the financial and fiscal due diligence. Moreover, Latham & Watkins, Studio Boffa & Associati and Leonardo-Houlihan Lokey assisted Tecnica Group with regards to the renegotiation of its financial debt with the banks (Gruppo Intesa, Gruppo Unicredit, Gruppo Banco BPM, Friuladria and MPS) which were assisted by Studio Gattai Minoli Agostinelli.

Tecnica Group operates across 8 branches and 4 production sites distributed around the world and employs 1.400 people. The focal point of the company was and remains the headquarters in Giavera del Montello (TV), in the heart of the Sportsystem district, one which lead the Italian economic boom and still today is home to prestigious companies of the sector. About 250 people are employed in this area, people that work mainly in Branding and R&D. This is how it is possible to take advantage of the historically widespread know-how of the area and enriching it with the best professionals of the sector from around the world and also stimulate the virtuous innovation cycle which spreads across all the brands. All this so that each brand can pursue that role of market leader and create extraordinary experiences through excellent products, as is Tecnica Group’s mission.

Italmobiliare is an Investment Holding which owns and manages a diversified investment portfolio with a strategic vision sustained by a financial and industrial history that has been active for over 150 years. The company, listed on the Italian Stock Exchange, has a Net Asset Value of about € 1.5 billion.