

## **ITALMOBILIARE INVESTS IN CAFFÈ' BORBONE AND STRENGTHENS ITS PORTFOLIO DIVERSIFICATION STRATEGY WITH ANOTHER SUCCESSFUL BRAND**

**The holding will invest approximately 140 million euro for a 60% share in the Naples-based company, the leading Italian player in compatible capsules and pods.**

**Milan, March 29, 2018** – Following its recent entry into the Tecnica Group, Italmobiliare is continuing its strategy to diversify and broaden its equity investment portfolio with an investment in the coffee sector that makes it the largest shareholder in Caffè Borbone, a fast-growing brand on the domestic market.

Caffè Borbone is an Italian success story that has seen a local coffee-roasting company rapidly become one of the top names on the national market and the leading provider of capsules and pods. This segment of the coffee market – an innovation that has changed consumer habits – is currently the most dynamic area in coffee sales, with volumes growing by around 20% in 2017 alone.

Over the last few years, Caffè Borbone has expanded at an annual rate of 40%, reporting turnover of approximately 94 million euro in 2017. This trend will continue over the coming years, sustained by a further strengthening of sales in the mass merchandising sector and in the online channel, where the Borbone brand is already one of the most popular names.

Under the agreements, Aromatika s.r.l., the company that owns the Caffè Borbone brand, will be controlled by a NewCo in which Italmobiliare, for an investment of approximately 140 million euro, will hold 60%, while the company founder Massimo Renda will own 40%.

Renda, who will be executive president of the company, will continue to contribute his expertise and entrepreneurial skills to the development of Caffè Borbone.

“This new operation extends the scope of activity of our equity investment portfolio and takes us into a high-growth sector offering further development potential,” said Italmobiliare CEO Carlo Pesenti. “Our choice of Borbone for our entry on to the coffee market, and specifically into pods and capsules, the fastest-growing segment, is supported by the value of a winning brand, by production efficiency and by the vision and entrepreneurial capabilities that the founder and the management will continue to deploy for the future of the company. For Italmobiliare this new acquisition is yet another step in our strategy to enhance and strengthen successful Italian brands by accompanying their growth on the domestic and international markets.”

“The strategic agreement with Italmobiliare, who, unlike other purely financial potential investors, guarantees a long-term vision of the partnership, enables Caffè Borbone to move from a family-run firm to a company with a managerial vision embracing ambitious and challenging development plans,” said Massimo Renda. “The combination of the strategic decision taken by my family more than 20 years ago to focus on single-serve coffee with the entrepreneurial and investment capabilities of a major group like Italmobiliare establishes the basis for further expansion of our business.”

Aromatika is headquartered in Caivano (Naples). It was established in 1996 as a coffee-roasting and packaging company and launched the Borbone brand in the early 2000s. It subsequently strengthened its market positioning with the development of compatible capsules and pods distributed through specialist shops, the online channel and, more recently, the mass merchandising channel. Production is currently located in Caivano in a modern facility of more than 13,000 sq.m, with 5 roasting lines. Annual output is approximately 10,000 mt of coffee.

Caffè Borbone is one of the market's best known and most highly regarded brands thanks to the careful and knowledgeable selection of beans for roasting and the constant attention to quality, which, together with high levels of industrial efficiency, have been factors in the company's success.

The transaction agreed and announced today is expected to be finalized by the end of June.

Italmobiliare is assisted by Leonardo-Houlihan Lokey on financial matters, by the Gattai Minoli Agostinelli law firm as legal advisors, and by New Deal Advisors and GEA as due diligence consultants. Massimo Renda is assisted by Palmer Corporate Finance, Long Term Partners and Ernst&Young as financial and business advisors and by Hogan-Lovells as legal advisors.

IntesaSanPaolo and Unicredit are the banks involved in the transaction.

ITALMOBILIARE ON THE INTERNET: <a href="http://www.italmobiliare.it">www.italmobiliare.it</a>
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