



Italy Cross-Border M&A Review

2024 Edition

Fredericks Michael & Co.
Mergers | Acquisitions | Divestitures

**FREDERICKS
MICHAEL & CO.**

Italian Market Expertise > Select FM&Co. Global Client Base





Italian Macroeconomic Indicators

Population: Approximately 58.7 million as of early 2024, marking a slight decrease of 0.29% from early 2023

GDP: With regional growth propelled by the northern regions of the country, the GDP per capita stood at EUR 35,542 in 2023, EUR 3,846 higher than 2022's EUR 31,696

Inflation Rate: In 2023 Italy's annual inflation was 5.7%, down from 8.1% in 2022. The changes, according to ISTAT are mainly due to reduced pressure on energy prices

Unemployment Rate: The region showcased an improvement in employment conditions. As of February 2024, Italy's unemployment rate was 7.5%, which is the lowest it has been since 2009

Public Debt: Italy's state debt as of the end of 2023 was EUR 2.86 trillion, an increase of EUR 105 billion over the previous year

Over 40 years of experience advising Italy and US corporations on cross-border transactions



FM&Co.
Experience

Volume: FM&Co. has advised on over 50 engagements involving Italian cross-border transactions

Key Relationships: Carel, Bolton, Nice, Aquafil, Rina, Geico, Cementir, Fincantieri, Pietro Fiorentini, Lavazza, Autogrill, Alessi, Technogym, Amplifon, Ludovico Martelli, GranTerre, Cefla, Manutencoop, among others

Key Sectors: Food & Beverage, Electronics & Components, Textiles, Machinery & Equipment, Facility Management, Medical Instruments, Renewable Energy, Pet Care, Coatings, HVAC, Building Materials and others

Number of Transactions: In 2023, Italy's M&A activity maintained its upward trend in deal counts, with roughly 1,511 announced transactions (a 40% increase from 2020). The deal value, which came to approximately EUR 48 billion, was 35% less than that of 2022

Inbound: With a record number of 437 (+19%) completed transactions for a total deal value of EUR 30.6 billion (+78% against 2022), inbound cross-border M&A saw a substantial increase in both value and volume. Key Industries include:

- **TMT Sector:** A sizeable portion of investments were drawn to the TMT sector, with an emphasis on infrastructure assets. One notable transaction was KKR's EUR 22 billion purchase of TIM's infrastructure network business
- **Financial and life sciences:** By recording 10% and 9% of market value respectively the sectors have also demonstrated their appeal. Cooper Consumer Health SAS of France recently acquired Viatris Inc.'s over-the-counter business for a total of EUR 1.95 billion, marking the final deal of 2023 for the Italian M&A market

Outbound: With 219 executed transactions (as opposed to the 213 transactions registered in 2021), the outbound cross-border M&A, which was mostly carried out by strategic Italian buyers, recorded a deal volume in line with 2021, but for a value of EUR 19.1 billion, still a proven sign of the intriguing role of Italian corporate champions in the global arena. Key Industries include: Industry & Chemicals, TMT and Consumer



Overview of
Recent
Cross-Border
M&A

Key Opportunities: Despite certain macroeconomic risks and the volatility of the global landscape, market participants are displaying a more sanguine outlook and seem capable of adapting to them. Although the number of agreements announced in January 2024 is largely in line with 2023, a more cautious approach may be seen in the first two quarters of 2024 due to the anticipated fall in interest rates in the second half of the year

Concerns: The main concern regarding the cross border M&A market in Italy involves the mandatory procedures for informing and consulting the unions under Italian law. Cross-border transactions may need to comply with the laws of numerous jurisdictions, adding complexity























Italian
Outlook

FM&Co. has extensive experience advising clients in M&A transactions in Italy

Source: S&P Capital IQ, Mergermarket, European Commission, FocuseEconomics. ¹ as of December 31, 2023

Italian Market Expertise > 10 Largest Deals in Italy in 2023

Announced Date	Target Company	Sector	Bidder Company	Bidder Dominant Country	Deal Value EUR (m)
11/05/2023	 FiberCop S.p.A. (100% Stake)	TMT	KKR & Co Inc; Abu Dhabi Investment Authority		21,700
12/18/2023	 Iliad Italia S.p.A. (100% Stake)	TMT	Vodafone Group Plc; Vodafone Italy S.p.A.		4,450
07/31/2023	 IMA Industria Macchine Automatiche S.p.A. (45% Stake)	Industrials & chemicals	BDT & MSD Partners LLC		2,925
10/01/2023	 Viatis Inc (Majority of the OTC business) (100% Stake)	Pharma, medical & biotech	Cooper Consumer Health SAS		2,053
05/12/2023	 Wind Tre S.p.A. (Network Infrastructure Assets) (60% Stake)	TMT	EQT AB		2,040
01/09/2023	 ISAB S.r.l. (100% Stake)	Industrials & chemicals	Trafigura Beheer BV; G.O.I. Energy Ltd		1,869
07/27/2023	 Valentino Fashion Group S.p.A. (30% Stake)	Consumer	Kering SA		1,700
10/02/2023	 Italo-Nuovo Trasporto Viaggiatori S.p.A. (50% Stake)	Transportation	(MSC) Mediterranean Shipping Company SA		1,633
08/11/2023	 Prelios S.p.A. (100% Stake)	Financial services	ION Investment Group Ltd; X3		1,350
06/25/2023	 Gruppo Florence S.p.A. (100% Stake)	Consumer	Permira Ltd; VAM Investments Group S.p.A.		1,287

HVAC



one of the world leaders in control solutions for air conditioning, refrigeration, heating, and systems for humidification has acquired



a manufacturer of sensors in the HVAC and Indoor Air Quality sectors



Advisor to Carel S.p.A.

FM&Co.'s role in this engagement

Local Market knowledge – Assisted Carel in the research and screening of key market participants in the HVAC equipment and controls sectors, based on most recent M&A trends in North America

Senior Level Target Approach – Performed an exhaustive buy-side mapping and search and screen exercise across the entire value chain, from manufacturers of HVAC components such as sensors and hardware to pure-play manufacturers and providers of HVAC systems. Identified, profiled and approached targets to determine possible interest in a transaction with Carel

Evaluation of Targets – Advised Carel on the approach, on valuation metrics and on potential transaction structures to meet Carel's objectives

Outcome – FM&Co. initiated this transaction and acted as exclusive financial advisor to Carel. The acquisition of SENVA is a further step towards the process of external growth through complementary products in reference applications that began in 2018. The market share gained and additional manufacturing presence in a strategic market such as North America are key elements for the support of local business development

Consumer Goods



a leading European consumer goods company has acquired



a leader in sustainably sourced canned seafood in the United States



Advisor to Bolton Group

FM&Co.'s role in this engagement

Local Market knowledge – Provided Bolton Group with critical knowledge of the trends and key market participants in the Consumer Goods sector in North America

Senior Level Target Approach – FM&Co. introduced the Wild Planet opportunity to Bolton Group and coordinated the approach, dialogue and negotiations, including the evaluation, due diligence and closing activities

Evaluation of Targets – Advised Bolton Group on the approach, on valuation metrics and on potential transaction structures to meet Bolton Group's objectives

Outcome – FM&Co. initiated this transaction and acted as exclusive financial advisor to Bolton Group. The deal marks another strategic step towards Bolton's international development goals and will allow the company to grow its presence in the United States tuna market, which is the largest in the world

Textiles



a global leader in the production of nylon
has acquired



a leading manufacturer of polyester, nylon,
and polypropylene



Advisor to Aquafil

FM&Co.'s role in this engagement

Local Market knowledge – Provided Aquafil with critical knowledge of the trends and key market participants in the fiber manufacturing sector in North America

Comprehensive Search & Screen – Performed an exhaustive buy-side mapping and search and screen exercise across the entire value chain, from collectors and recyclers of used carpets to pure-play manufacturers of nylon, polyester and polypropylene fibers. Identified, profiled and approached targets to determine possible interest in a transaction with Aquafil

Senior Level Target Approach – FM&Co.'s senior management directly approached targets, coordinated due diligence and closing activities

Evaluation of Targets – Advised Aquafil on the selection of targets to approach, on valuation metrics and on potential transaction structures to meet Aquafil's objectives

Outcome – The transaction strengthened Aquafil's presence in the US market. O'Mara's identity and market positioning fully aligned with those of Aquafil. This compatibility is expected to accelerate the globalization process of the textiles business with positive consequences for Aquafil's ECONYL® and Dryarn® products. O'Mara will provide access to a broader product range, thereby driving further development in the US market

Industrials



a global leader in the testing, inspection, and engineering services
has acquired



a leading manufacturer of leading testing, inspection, and certification company in the oil and gas industry



Advisor to RINA

FM&Co.'s role in this engagement

Local Market knowledge – Provided Rina with critical knowledge of the trends and key market participants in the testing, inspection and certification sector in North America

Comprehensive Search & Screen – Performed an exhaustive buy-side mapping and search and screen exercise of TIC service providers with a focus on the oil & gas sector as an end-market. Identified, profiled and approached targets to determine possible interest in a transaction with Rina

Senior Level Target Approach – FM&Co.'s senior management directly approached targets, coordinated due diligence and closing activities

Evaluation of Targets – Advised Rina on the selection of targets to approach, on valuation metrics and on potential transaction structures to meet Rina's objectives. Advised Rina through a competitive auction process

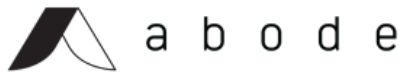
Outcome – This acquisition enabled RINA to expand to the US and grow its oil and gas TIC services business. The acquisition also strengthen RINA's presence in the global offshore and subsea markets with several blue-chip clients

Home Security & Automation



Nice

a global leader in manufacturer of home security and automation systems
has acquired



a provider of do-it-yourself smart home security solutions



Advisor to Nice S.p.A.

FM&Co.'s role in this engagement

Local Market knowledge – Provided Nice with critical knowledge of the trends and participants in the home security and automation market in North America

Comprehensive Search & Screen – Performed an exhaustive buy-side mapping and search and screen exercise of the home security and automation sector in the US and Canada and across all residential access control verticals – home security, home automation and gate operators. Identified, profiled and approached targets to determine possible interest in a transaction with Nice. FM&Co.'s senior management directly approached targets, coordinated due diligence and closing activities

Evaluation of Targets – Advised Nice on the selection of targets to acquire, on valuation metrics and on potential transaction structures to meet Nice objectives

Due Diligence – Assisted, advised and coordinated on behalf of Nice the diligence of the final target (i.e., abode)

Outcome – Successfully executed the acquisition of abode allowing Nice to generate important integration opportunities between various platforms and cross-selling options while also expanding Nice's product range and presence in North America

Home Security & Automation



Nice

a leading manufacturer of home security
and automation systems
has acquired



a manufacturer of automated gate systems



Advisor to Nice S.p.A.

FM&Co.'s role in this engagement

Local Market knowledge – Provided Nice with critical knowledge of the trends and participants in the automated gate systems market in North America

Comprehensive Search & Screen – Performed an exhaustive buy-side mapping and search and screen exercise of the gate operator and opener sector in the US. Identified, profiled and approached targets to determine possible interest in a transaction with Nice

Senior Level Target Approach – FM&Co.'s senior management directly approached targets, coordinated due diligence and closing activities

Evaluation of Targets – Advised Nice on the selection of targets to acquire, on valuation metrics and on potential transaction structures to meet Nice objectives

Due Diligence – Assisted, advised and coordinated on behalf of Nice the diligence of the final target (i.e., Apollo Gate Openers)

Outcome – Successfully executed the acquisition of Apollo Gate Openers allowing Nice to acquire control of one of the most important operators in the North American gate sector thereby strengthening its presence in the region. Furthermore, the acquisition also allowed Nice to strengthen itself within a business segment that utilizes solar energy for automated gate systems, a space expected to significantly grow globally

Italian Market Expertise > Other Select FM&Co. Italian Buy-side Transactions





FM&Co.'s role in this engagement

Client's Objective: As part of Gruppo Cerutti's debt restructuring plan, the client had to sell certain subsidiaries

Sector knowledge: Provided Gruppo Cerutti with an analysis of the market participants' potential interest in pursuing a transaction in the rotogravure presses sector, both in North America and Europe

Comprehensive Identification of Potential Buyers: FM&Co. performed an exhaustive mapping of rotogravure press manufacturers for packaging printing and converting equipment in the geographies in which the subsidiaries had their operations. FM&Co. excluded direct competitors per the client's request. Financial sponsors with interest in the sector were included

Evaluation of Buyers: FM&Co. identified, profiled, and advised Gruppo Cerutti on the selection of the buyers that best fit their strategy based on operations, value measures, and various deal structures while ensuring that the selected buyers would align with the client's proposed long-term strategy for the divested assets

Outcome: Successfully executed three sequential sell-side transactions (Bernal Inc., Iberica AG, and Zerand) allowing Gruppo Cerutti to maximize shareholder value and restructure its operations to shift focus on its core business segments and geographies

Industrials



Has sold



To



Advisor to Manutencoop

FM&Co.'s role in this engagement

Client's Objective: Manutencoop wanted to sell certain non-core business units, in order to focus resources on the international expansion of its core business. FM&Co. provided Manutencoop with an analysis of the market participants' potential interest in pursuing a transaction in the elevator maintenance business in Italy

Comprehensive Identification of Potential Buyers: FM&Co. performed an exhaustive mapping of facility management companies mainly focused on the elevator maintenance business in Italy

Evaluation of Buyers: FM&Co. identified, profiled, and advised Manutencoop on the selection of the buyers that best fit their strategy based on operations, value measures, and various deal structures while ensuring that the selected buyers would align with the client's proposed long-term strategy for the divested asset. FM&Co.'s senior management directly approached buyers, coordinated due diligence and closing activities, maintaining negotiation leverage to maximize certainty of getting the transactions done per client's objectives

Outcome: Successfully executed the sell-side transaction meeting Manutencoop's strategic and operational objectives. Manutencoop succeeded in divesting a non-core asset, while achieving a positive financial return on its investment, ultimately creating value for the broader Manutencoop group

Mining & Minerals



A subsidiary of Coeclerici SpA engaged in the trading of raw materials on 25 countries

has sold



to



Advisor to Coeclerici

FM&Co.'s role in this engagement

Client's Objective: Ceoclerici wanted to sell its non-core business units in the coal trading sector in North America. FM&Co. provided Ceoclerici with an analysis of the market participants' potential interest in pursuing a transaction in the elevator maintenance business in Italy

Comprehensive Identification of Potential Buyers: FM&Co. performed an exhaustive sell-side mapping and search and screen exercise of coal trading companies. Identified, profiled and approached buyers to determine possible interest in a transaction with Coeclerici

Evaluation of Buyers: FM&Co. identified, profiled, and advised Coeclerici on the selection of buyers to approach, on valuation metrics and on potential transaction structures to meet Coeclerici's objectives. FM&Co.'s senior management directly approached buyers, coordinated due diligence and closing activities, maintaining negotiation leverage to maximize certainty of getting the transactions done per client's objectives

Outcome: Successfully executed the sell-side transaction meeting Coeclerici's strategic and operational objectives. Through this transaction, Coeclerici was interested in assessing the potential sale or other transactions regarding its US-based subsidiary in order to sharpen its focus on investments in its core markets

Business Services



a group of engineering companies serving the Oil & Gas and Industrial markets

has sold



to
LGB

a company formed by Safco's senior management



Paper & Packaging



A global leader in consumer and specialty packaging

has sold

Huhtamaki S.p.A

to



Personal Care



has acquired
a minority stake in



a pioneer in private label
beauty and skin care
products for pharmacies





Blake Davies

CEO & Senior Managing Director

Mr. Davies is responsible for the firm's activities in Southern Europe and North America. He has two decades of experience advising companies in numerous industries including food and beverage, paper and packaging, consumer products and specialty chemicals, among others. He is fluent in Spanish and regularly advises clients on matters related to Spain and Latin America.

Prior to joining Fredericks Michael, Mr. Davies worked at Nomura Securities and The Colgate Palmolive Company.

He holds an MBA from the American Graduate School of International Management (Thunderbird) and a BA in Finance from Stetson University. Mr. Davies is a shareholder in Fredericks Michael and is Chairman of the Board of Directors.



Massimo Brambilla

Managing Director - Europe

Mr. Massimo Brambilla, a Managing Director at FM&Co., oversees FM&Co.'s activities in Italy. He has advised numerous clients on cross-border mergers, acquisitions, divestitures, privatizations, expansions and private placement transactions throughout Italy, Europe and North America.

Prior to joining Fredericks Michael, Mr. Brambilla was a Director in the Milan offices of Abaxbank and Euromobiliare Corporate Finance as well as a Vice President in the Milan office of Société Générale Investment Banking.

Mr. Brambilla sits on the board of directors of illimity Bank, a bank listed on the main segment of the Italian Stock Exchange.

Mr. Brambilla is an Italian and Swiss dual national.



Alessandro Lombardi

Analyst

Alessandro joined Fredericks Michael & Co. in 2021 after graduating from Northeastern University with a B.S. in Mechanical Engineering.

Since then, Alessandro has worked on European and North American mergers, acquisitions, and divestitures in various industries, including consumer products, renewable energy, HVAC, and electrical equipment.

Alessandro is an Italian national and speaks English and Italian.

FM&Co. Overview

Fredericks Michael & Co.
Mergers | Acquisitions | Divestitures

**FREDERICKS
MICHAEL & CO.**

Global Reach in Mergers and Acquisitions...

- A global investment bank providing clients with discerning and unbiased advice
- Founded in 1984 – over 40 years of experience
- Extensive global operations with a proven track record in over 25 countries
- Broad expertise and capabilities focused on: **Mergers & Acquisitions** (buy-side/sell-side), **Joint Ventures**, **Capital Raising Solutions**
- Professional team comprised of **veteran advisors** with many decades of relevant industry experience

40+

Years of Experience

30

Professionals

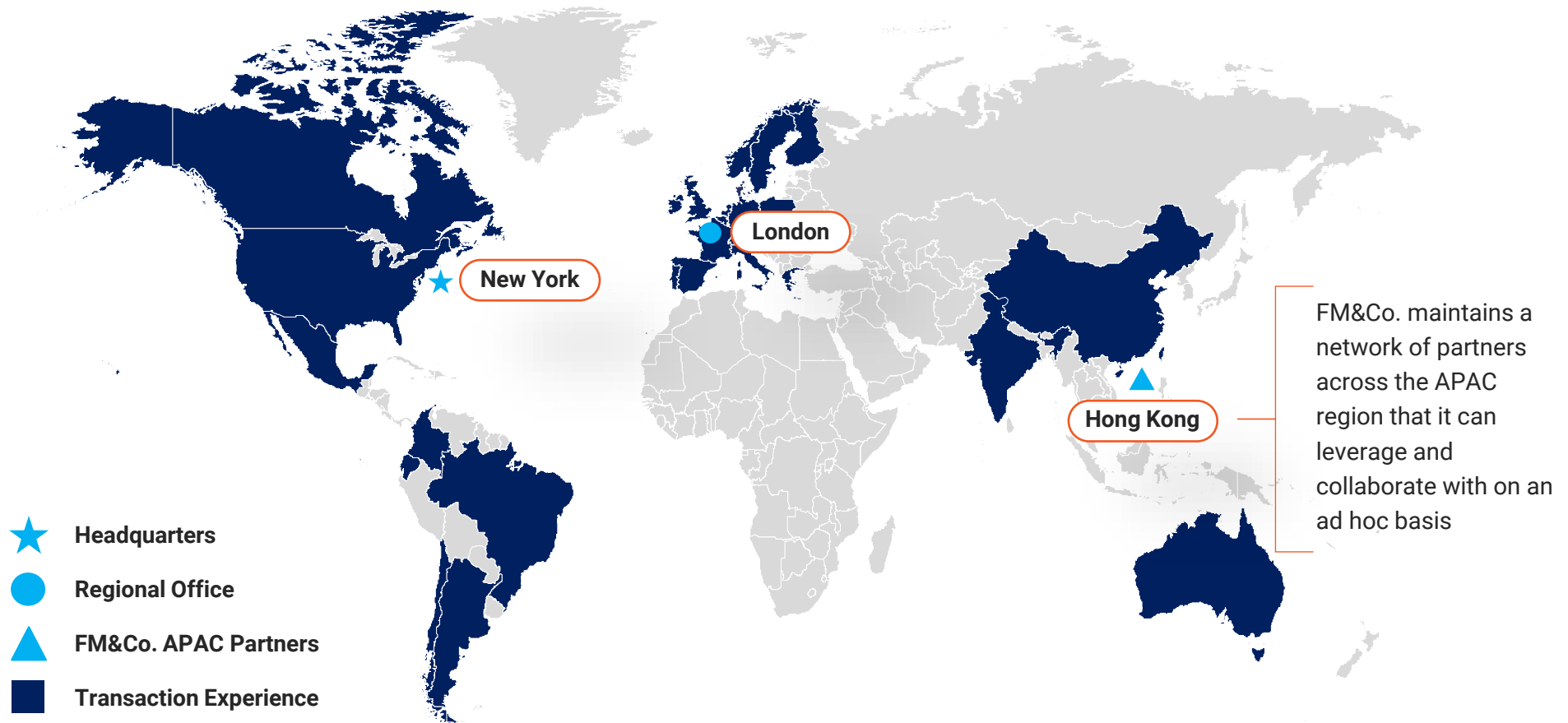
25+

Countries Covered

8+

Languages Spoken

FM&Co. has global expertise coupled with local knowledge in the major markets



FM&Co.'s approach advising international companies on cross-border M&A assignments is critical to a successful outcome



Effective
Communication

FM&Co. has decades of experience on effective communication between buyer and seller coming from different geographic backgrounds



Depth and
Quality of Work

From our initial research and approach of targets to the negotiations and execution of due diligence and definitive agreements, FM&Co. is steadfast in the quality and depth of our work effort



Tenacity and
Persistence

It is through persistence and tenacity that we reach our clients' objectives. Pushing just one step further can often unlock unexpected opportunities

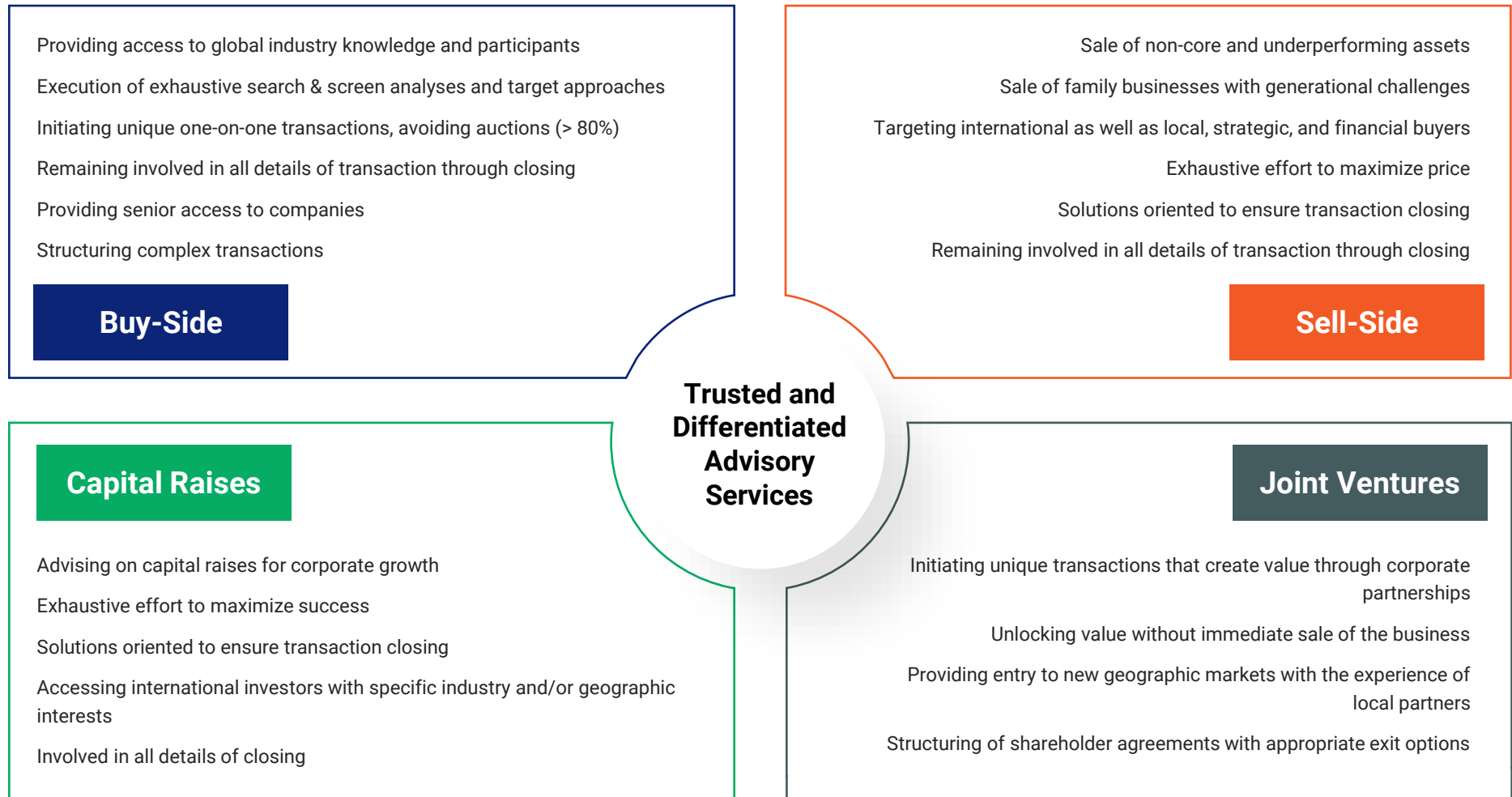


Seasoned
Professionals

FM&Co.'s team of seasoned M&A professionals take on a holistic and tireless approach to the process regardless of the size of the targets or the complexity of the transactions. FM&Co. becomes involved in assignments where it can bring clear and value-added experience and credentials to bear

FM&Co. provides a bespoke approach, tailoring the engagement process to best suit client needs

...and Focused on Unlocking and Executing Complex Transactions



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