



## **Progressio sells Diplomatic Oleodinamica to Alcedo SGR**

*It is the fourth investment for Alcedo IV Fund and the fourth divestment for Progressio Investimenti II Fund*

Milan, March 14<sup>th</sup> 2017 - Alcedo SGR, through its Alcedo IV Fund, invests € 27 million in Diplomatic Oleodinamica, a leading company in the design, manufacturing and marketing of valves, cylinders, pumps and systems for the hydraulics market, along with electromechanical products. Alcedo bought its stake from Progressio, which held it since 2013 through its *Progressio Investimenti II* Fund. Roberto Maddalon, CEO and shareholder of Diplomatic Oleodinamica (together with Francesco Ferrari, Group's CFO, and other managers), will continue to lead the company and will be appointed Chairman, confirming its full involvement in the management of the business.

With a turnover of € 70 million, Diplomatic Oleodinamica runs five production sites in Italy, one in the United States and one in China. The Group was established in 1952 and began its activity developing mechanical systems for machine tools; during the sixties, it focused on the manufacturing and marketing of components and hydraulic systems for the industry sector. More recently it entered the promising market of the electrical actuators. Lately, the Group grew constantly abroad, both organically and through targeted acquisitions which made Diplomatic Oleodinamica a truly global firm.

This is the fourth exit for *Progressio Investimenti II* Fund, with a total size of € 205 million; Progressio has recently launched the fund raising of its new *Progressio Investimenti III* vehicle, with a target set at € 225 million. This is also the fourth investment of the Alcedo IV Fund managed by Alcedo SGR, which has raised € 195 million following its final closing in May 2016.

Alcedo will support Diplomatic Oleodinamica in its geographical and commercial expansion strategy through both organic growth and strategic acquisitions in Italy and abroad.

“Diplomatic is a typical Progressio investment: a company with a great potential and a strong management team, which we transformed from follower to innovator by assembling a 40 people R&D team and supported in its strategy of growth with four acquisitions and a new manufacturing site in China” – said Alessandro d’Arco, Progressio’s Investment Director who followed the investment.

Roberto Maddalon, Chairman and CEO of Diplomatic Oleodinamica commented: “Through the holding period of Progressio, Diplomatic Oleodinamica achieved a significant growth, which brought its turnover from € 45 million to € 70 million. Given the promising market landscape, the Group aims to get to € 100 million in the next four years through organic growth only, not considering the possibility to exploit the several interesting M&A opportunities offered by the market”.

Michele Gallo, Managing Partner of Alcedo, said: “Diplomatic Oleodinamica is an Italian champion which competes successfully on a global scale, with a multinational profile, a highly skilled management team and a strong vocation to export. This investment fits perfectly with our strategy of investing in leading Italian SMEs having a considerable potential for growth”.

For Alcedo, the deal was followed by the Partners Michele Gallo and Marco Guidolin. Alcedo was assisted by Stefano Roncoroni, Angelo Gitti, Daniele Cusumano, Jessica Fiorani e Andrea Imberti, of Studio Legale Gitti and Partners, for legal matters. Deloitte took care of the financial and fiscal Due Diligence while Diego De Francesco and Francesca

Marchiori, of CBA Studio Legale e Tributario, were responsible for structuring the deal. Francesco Fiorese of Simon-Kucher & Partners performed the Business Due Diligence.

For Progressio, the deal was followed by Filippo Gaggini, Managing Partner, and Alessandro d'Arco, Investment Director. Progressio was assisted by Daniele Raynaud, Barbara Degli Esposti and Federica Bulla of Raynaud Studio Legale, and by Leo De Rosa of Studio Russo De Rosa. Lorenzo Astolfi, Marcello Rizzo, Andrea Baglioni and Vincenzo Scotto of Alantra acted as financial advisors.

The acquisition was backed by UniCredit as Sole Bookrunner, Mandated Lead Arranger and Agent, and Banco BPM S.p.A., Crédit Agricole Cariparma and Interbanca S.p.A. as Mandated Lead Arranger. The financing banks were assisted by Eugenio Siragusa, Partner of NCTM Law Firm.

The acquisition was followed by notary Giovannella Condò, Milano Notai.

\*\*\*

### **Progressio SGR**

Progressio SGR, founded in 2005, is a private equity firm focused on investing in Italian mid-market companies. It's an independent company, wholly owned by the management team and led by an experienced and cohesive partner group, comprising Filippo Gaggini as Managing Partner, Angelo Piero La Runa and Nino Mascellaro. Progressio invests in "hidden champions" among the Italian excellences, operating in sectors where "made in Italy" represents a plus in terms of know-how and positioning (typically mechanical engineering, fashion & luxury, pharma & chemicals and food & beverage), with the aim of working together and turning them in successful companies through a process made of reorganizing, repositioning, revitalizing. The firm has managed funds for a total of € 350 million, with 19 investments and 16 exits, realizing a cash on cash return of 3.6x. Progressio is currently raising its third fund ("Progressio Investimenti III"), targeting professional investors, family offices, Italian and foreign institutional investors, with a target commitment of € 225 million.

[www.progressiosgr.it](http://www.progressiosgr.it)

### **Alcedo SGR**

Alcedo SGR is one of the leading players in private equity in Italy and specializes in the management of Closed-End, Reserved Alternative Investment Funds. The company is based in Treviso and for almost 30 years has been dedicated to investments in Italian excellence, with a predominant focus on small and medium-sized businesses in North and Central Italy. The Alcedo Investment Team has developed a unique approach to Growth Capital investments, based on not only contributing with capital, but also creating strategic partnerships with entrepreneurs and managers, aimed at fueling companies' growth through shared plans and objectives, leveraging on the team's investment experience and possible synergies arising from the different investments. Diplomatic Oleodinamica is the fourth investment of Alcedo IV Fund, which has raised € 195 million in May 2016.

[www.alcedo.it](http://www.alcedo.it)

For more information

### **Close to Media**

Luca Manzato, +39 335.8484706

[luca.manzato@closetomedia.it](mailto:luca.manzato@closetomedia.it)

Adriana Liguori, +39 345.1778974

[adriana.liguori@closetomedia.it](mailto:adriana.liguori@closetomedia.it)