



## PRESS RELEASE

# **Alcedo Sgr and Wise Sgr announce the sale of Jk Group Spa, leader in the digital inks market**

Milan, 22 October 2015 - Wise and Alcedo announce the disposal of their 72% stake in JK Group, the world leader in manufacturing and distributing digital sublimation inks, to US multinational Dover Corporation. Listed on NYSE and already active in the digital printing space, Dover has acquired 100% of the group, purchasing the remaining minority stake from some of the group's top managers.

JK Group was created with the integration of Kiian Digital, J-Teck3 and Sawgrass Industrial, three globally recognized leaders in the digital ink market for textile and graphics applications.

Alcedo and Wise, together with the managers Dennis Wilby, Fabio Festorazzi and Giovanni Lorato, acquired Kiian SpA in December 2012, when the Como based company had ca. Euro 49 million in revenues (of which ca. 40% in the digital ink business and 60% in the screen ink business, the latter then sold in 2014) and an EBITDA of Euro 8.6 million.

Wise and Alcedo, together with the management team, have structured a new business plan focusing on the growth of the digital business through three key areas: investment in operations increasing the production capacity in Italy and abroad (to capture the growing market demand which is and has historically registered a 20% annual growth rate); push on the internationalization, by developing the overseas commercial network and increasing export revenues' weight from 75% to 90%, and strengthening the competitive positioning, also through a more intense R&D effort and selected acquisitions.

It is exactly on the latter that the contribution from both Alcedo and Wise has been fundamental to bring JK Group to gaining the world leadership in the digital sublimation inks niche.

In May 2014 Kiian Digital acquired the activities of its US distributor, TW Graphics, with the aim of covering more directly the American market, also following the recent start-up of a manufacturing and commercial branch in Tennessee.

In August 2014 the company acquired a controlling stake in J-Teck3, another company from the Como area, kicking-off the integration of the two businesses, thus creating the global leader in the market and at the same time strengthening the management team thanks to the entry of Italo Mariani and Enrico Grasselli, founders of J-Teck3.

Then, in July 2015, JK Group acquired the Industrial business of Sawgrass Technologies, a US based company with also European operations in Switzerland, active in the same space as JK Group and also in the promising niche of pigment inks for textile applications.

At the same time, in 2015, Kiian Digital's new headquarter and manufacturing facility was inaugurated in the Como area, with a production plant representing the state-of-the-art in the digital inks space, both in terms of manufacturing efficiency and process and product quality, and it was carried out the handover as CEO by Dennis Wilby to Alberto De Matthaeis.

Since 2012 JK Group has registered a significant organic growth, maintaining a relevant profitability thanks to its proprietary technology, its wide sales network and the solid competitive positioning further reinforced by the recent acquisitions, which translate in an undisputed global leadership.

Becoming part of Dover's universe represents for JK Group the natural continuation of a growth and strengthening path, which can now leverage on a global platform and on the synergies with other group companies active in its reference market and in adjacent segments. Dover was in fact identified as the ideal partner, sharing JK's focus and interest in the development of the digital printing industry, where the multination group is already active through MS Printing Solutions, a leading Italian manufacturer of machines for digital textile printing.

The 100% stake in JK Group has been valued (Enterprise Value) at Euro 346.5 million, implying a ca. 10.3x EV/EBITDA multiple on 2015 pro-forma expected EBITDA, with a return for Wise and Alcedo of over 6x on invested capital.

Marco Guidolin, Partner of Alcedo SGR, and Valentina Franceschini, Partner of Wise SGR have commented: "The JK Group transaction represents a fantastic example of how the cooperation between Private Equity investors, entrepreneurs and managers, can lead an Italian SME to absolute excellence and leadership on the global market".

Alcedo and Wise have been advised by Ethica Corporate Finance as financial advisor, Simmons & Simmons as legal counsel and Studio Spadacini as tax consultant.

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**Wise SGR S.p.A.** ([www.wisesgr.it](http://www.wisesgr.it)) specializes in the management of Private Equity closed-end funds, investing in small and medium-sized companies, with a special focus on Italy. The funds managed by Wise are typically involved in leverage buy-out and capital increase transactions, dedicated to companies that are leaders in their niche markets. The two major objectives are to lead "build-up" transactions, in order to enhance competitiveness and profitability, and to push the international development. Wise, controlled by the management team, from 2000 to today has managed three Funds: Wisequity I, with a commitment of €100 million, completely divested, Wisequity II, with a commitment of €170 million, which is in the process of disinvestment, and Wisequity III, with a commitment of over €180 million and six investments in its portfolio, after the JK Group exit.

**Alcedo SGR S.p.A** ([www.alcedo.it](http://www.alcedo.it)) is an independent Private Equity firm specialized in managing "Closed End Italian Reserved Alternative Investment Funds" with main focus on mid-market companies located in North and Central Italy. In over 25 years of successful investments, Alcedo's team has developed a unique approach to growth capital investments, based not only on contributing with capital, but creating strategic partnerships with entrepreneurs and managers, aimed at fuelling companies' growth through shared plans and objectives, leveraging on the team's investment experience. Alcedo SGR, who is now managing the "Alcedo III" fund (with a total commitment of Euro 173 million), is controlled by the investment team, thus guaranteeing a quick and independent decision making process. Alcedo III fund has so far invested in 10 companies and, after the JK Group exit, has completed five divestments".

## **For more information**

### **Close to Media**

Luca Manzato – tel. +39 335848 4706  
[luca.manzato@closetomedia.it](mailto:luca.manzato@closetomedia.it)

Adriana Liguori – tel. +39 345177 8974  
[adriana.liguori@closetomedia.it](mailto:adriana.liguori@closetomedia.it)