

Press release

**WISE EQUITY ACQUIRES A MAJORITY STAKE IN HERTECANT FLANGES, A BELGIAN LEADING MANUFACTURER OF CUSTOM FULLY MACHINED FORGED COMPONENTS FOR INDUSTRIAL EQUIPMENT FROM BELGIAN INVESTORS**

**The investment will be part of Wise Equity's platform, together with its portfolio company Special Flanges, with the aim of creating the European leader in fully-fledged custom productions for several end-markets**

Milan, November 10th 2023 – Wisequity V, fund managed by Wise Equity SGR, announced today the purchase of 100% of the share capital of Flanges International (Hertecant Flanges' holding) through its portfolio company Special Flanges from PMV and Down2Earth capital.

Hertecant Flanges is a **forging and machining manufacturer**, founded in 1983 in Westerlo (Belgium) by the Hertecant family, and characterized by a wide offering of **high-quality custom products** and **very short lead times** (1-2 weeks). The company manufactures a full range of pressure classes in various grades (e.g. Austenitic stainless steel, Nickel-Alloys) and specifications for a wide set of applications in the instrumentation, renewables and chemical industry.

The deal is expected to create substantial value thanks to the **high complementarity** of Special Flanges and Hertecant Flanges businesses, both in terms of product portfolio range and geographic coverage and will allow the combined Group to become the **European leader** in its **niche market**, with c. € 100 million revenues, 80%+ of which generated outside Italy.

Hertecant Flanges key managers Mark Dewachter (CEO) and Ron Deckers (CFO) will continue to lead the Company after the deal closing actively contributing to the development of the Group.

The investment transaction was led by Fabrizio Medea, Partner at Wise Equity, and by the investment manager Paolo Zucchi.

**Paolo Zucchi, Wise Equity Investment Manager:** *"This transaction is an important milestone in the development of the group that now has a true international footprint and a leading positioning in its market niche. The two companies have a great fit and we believe the group has strong foundations to continue its growth path and further enhance its positioning also thanks to the value generation coming from potential synergies"*

**Flavio Malpeli, Special Flanges CEO,** said: *"I am very happy to welcome and collaborate with Hertecant managers. The combination with Hertecant Flanges is an important step in the direction of strengthening the positioning of the group in its reference market of top-up projects. Through this transaction we are not only enhancing the group synergies themselves, but we are also creating value for our customers by improving our ability as a "problem solver" for their needs. Special Flanges and Hertecant will better serve their clients with a wider offer from the combination of product portfolio and international presence resulting in a unique positioning in their market niche".*

**Mark Dewachter, Hertecant Flanges CEO,** said: *"I am excited to begin this new journey with Special Flanges. We share the same vision and values, and this is the perfect base to continue to*



serve our customer in the best way with additional energy and an increased service to be delivered to our clients with the cooperation of Special Flanges”.

**Ivo Marechal, founding partner of Down2Earth Capital**, said “Hertecant was the second investment of our first fund. We are proud of the magnificent development the company has made during our holding period, both in terms of professionalization, growth and market positioning. We believe Special Flanges to be the perfect industrial partner for Hertecant to support its further development. We are very thankful to management and all staff with whom we have successfully partnered since March 2014 and wish them all the best in their new setting.”

**Roald Borré, Group Manager Equity Investments of PMV**, said “Special Flanges' acquisition of Hertecant confirms Hertecant leading position, as a Flemish manufacturing company, in a worldwide competitive industry. Within the wings of a larger group Hertecant will valorise that position by growing even further. PMV is delighted that its funding supported Hertecant and helped enable its further development”.

#### **Advisors to Special Flanges:**

- Legal: Simmons & Simmons (Carl Meyntjens, Yannick Sternotte, Zeger Saerens, Raf Thielemans)
- Financial and tax due diligences: KPMG (Stijn Potargent, Hannes Laloo, Yves Toussant, Jarne Boone)
- Environmental: ERM (Joaquim Demeyer, Giovanni Acquaro, Federica Rinaldi)

#### **Advisors to Hertecant Flanges:**

- M&A: Kumulus Partners (Henk Vivile)
- Legal: Monard Law (Nicole Segers)
- Financial: LDS (Didier De Smet)

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#### **Hertecant Flanges**

Founded in 1983 by Ivan & Clarinda Hertecant, Hertecant Flanges is a forging & machining manufacturer of stainless steel and Ni-alloy components located in Westerlo, Belgium. The company has become one of the most important flange manufacturers offering high quality flanges in a full range of pressure classes in various grades and within very short delivery times. The company goal is to continue delivering above quality service and to extend its capabilities and quality standards worldwide.

#### **Special Flanges**

Special Flanges S.p.A., founded by Augusto Zucchinali in 1984, is a leading company in special forged components, exporting products in over 70 countries. Thanks to its flexibility, a wide range of products and its strong integration, Special Flanges represents a point of reference in a market that is becoming increasingly global and focused on customized products. Flanges and other forged components manufactured by Special Flanges represent today an essential production for the world industrial equipment market and will play an essential role in the energy transition expected in the coming years.

#### **Wise Equity SGR**

Wise Equity SGR is a company active in the management of closed-end investment funds investing in small and medium-sized companies with a focus on Italy. The funds managed by Wise Equity typically carry out Leveraged Buy-out and development capital operations dedicated to companies that have leading positions in their niche with two main objectives: to increase critical mass, also through 'build-up' operations, to improve the competitiveness and marginality of the companies, and to foster their international development. Wise Equity currently has three funds under management:



*Wisequity IV with a subscribed capital of €215 million and employed about 92 percent of its capital on four investments: Corob, Imprima, Innovery, and Waycap;*

*Wisequity V launched in July 2019 with an allocation of EUR 260 million, partially deployed on seven investments: Fimotec, Vittoria, Selle Royal, Special Flanges, Almac, OneTag and NTC*

*Wisequity VI launched in May 2023 with a total commitment of EUR 400 million*

### **PMV**

*As an investment company, PMV is building a sustainable Flemish economy, the engine of our prosperity and well-being. We partner with ambitious companies and projects that focus on social impact and financial return. PMV finances promising companies from the very start, through growth and internationalization. PMV offers tailored financial solutions to all entrepreneurs with a good business plan and a strong management team. It does so with capital, loans and guarantees. It also realizes, with and for the government, and other partners, projects that are important for prosperity and well-being in Flanders. PMV has a portfolio with 1.7 billion euros under management. For more information: <https://www.pmv.eu/en/>.*

### **Down2Earth Capital**

*Down2Earth Capital is an independent private equity fund, founded in 2013, with a focus on small and medium sized transactions in Belgium. D2E Capital combines many years of successful experience in private equity with hands-on industrial experience. For more information: <https://www.d2e.be>.*

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### **For further information**

#### **Press Office – Wise Equity**

**Close to Media** – a company founded by Elisabetta Neuhoff

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