

Joint press release

WISE EQUITY AND SPECIAL FLANGES TOGETHER ON NEW GROWTH JOURNEY

Wisecquity V Fund has made a significant investment in the leading production company of “special” forged components for industrial equipment

Milan, 26 October 2021 – **Wise Equity**, management company of Wisecquity V Fund, and **Zeta Investment S.r.l.**, sole shareholder of Special Flanges S.p.A., announce the acquisition of 50% of **Special Flanges** capital by **Wisecquity V**.

Special Flanges is a market leader in the production of special forged components across various sectors, such as chemical, energy, pharmaceutical and industrial. Over the 35 years of its history, the company has gained significant market presence and know-how, and has developed a flexible and vertically integrated operating structure, guaranteeing short delivery times and high-quality service to customers. By leveraging the perfect integration of forging and machining capabilities, it is able to provide fully customized products that can be tailored to customers' needs.

Special Flanges is headquartered in Cesano Maderno (MB) and runs separate plants in Legnano (MI) and Gorla Minore (VA). Turnover in 2020 was over **50 million euros**, 66% of which was generated internationally in over 70 countries.

Special Flanges' leading position in the “special components” niche, its brand recognition in international markets, together with the company's organic and inorganic growth prospects, were the key drivers behind Wise Equity's investment.

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

Fabrizio Medea asserted: *“Special Flanges is a benchmark in the field of special components for industrial equipment, a sector that is expected to grow, driven by the numerous investments expected globally on technologies that will enable energy transition and sustainability.*

The investment in Special Flanges fully reflects the philosophy of our fund, which is to invest in leading companies in specific market niches, that have an important export component and solid growth potential. We believe in the company's project, and we are confident that by strengthening its commercial structure and investing in production capacity expansion, Special Flanges will be able to reach an even higher level of service and expand its offering, making it increasingly resilient in facing new technological challenges.”

Augusto Zucchinali, founder and chairman of Special Flanges added: *“Wise Equity represents the ideal partner to support us in our entrepreneurial project, thanks to its true respect for our tradition and the ability to convey the right amount of enthusiasm, which are essential to achieve an efficient and harmonious growth”.*

Advisors:

Wise Equity has been assisted in the transaction by:

- Simmons&Simmons for Legal Due Diligence and legal contracts, with Partner Andrea Accornero, Alessandro Bonazzi and Federica Ortisi;
- KPMG for the Accounting and Fiscal Due Diligence, with Partners Erika Rodriguez and Alberto Galliani, Gaetana Riccardo, Antonia Pagliuca, Claudio Balsani and Matteo Ghislandi;
- Studio Spada Partners for deal structuring, with the Partner Guido Sazbon, Fabrizio Gnecco and Gianluca Colarossi;
- Deloitte for ESG pre-assessment, with Raffaella Sciartilli, Irene Giacchetto and Fabiano Rancan.

Special Flanges S.p.A. has been assisted by:

- Credit Suisse AG, financial advisor of the transaction, with Andrea Pravini and Edoardo Crivellaro;
- Studio Legale Chiomenti for legal contracts, with Partner Luigi Vaccaro, along with Tommaso Cacioli and Maria Laura Zucchini and for tax matters with Partner Massimo Antonini, together with Luca Bazzoni.

The transaction has been financed by a bank syndicate led by Crédit Agricole Italia that operated as Mandated Lead Arranger, Bookrunner e Facility Agent.

The lending agreement has been overseen for Wise Equity by Simmons & Simmons with Partner Davide D’Affronto, Fabrizio Nebuloni and Luigi Terenzio Trigona and for Crédit Agricole Italia by Clifford Chance by the counsel Pasquale Bifulco and Francesco De Micheli.

Wise Equity

Wise Equity SGR (wisesgr.com) specializes in the management of closed-end Private Equity funds through investments in small and medium-sized companies, with a focus on Italy. The funds managed by Wise Equity are typically involved in Leverage Buy-Out and Development Capital transactions, dedicated to companies that are leaders in their niche markets. The two major objectives are to increase a company’s critical mass through “build-up” transactions and to improve the acquired company’s competitive position and marginality, favoring international development. Wise Equity currently has three funds under management: i) Wisequity III, with committed capital of over Euro 180 million and one investment remaining in its portfolio (NTC), having already completed disinvestments in Eidos Media, Kiiian, Primat, Biolchim, Alpitour, Colcom Group and Controls; ii) Wisequity IV, with Euro 215 million in committed capital, has deployed roughly 92% of this capital across 8 investments: Corob, Imprima, Tapi, Tatuus Racing, Aleph, Trime, Innoverly and Waycap; iii) Wisequity completed fundraising for the Wisequity V Fund in July 2019 with a capital commitment of Euro 260 million and has already undertaken four investments: Fimotec, Vittoria, Cantiere del Pardo and Selle Royal.

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.



FOR FURTHER INFORMATION:

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