

AZZURRA CAPITAL ACQUIRES A MAJORITY STAKE IN MARVAL, A LEADER IN CRITICAL COMPONENTS FOR HEAVY DUTY ENGINES

Milan, August 13th, 2024 – Azzurra Capital has entered into a binding agreement to acquire a majority stake in Marval, a leading company active in the production of cylinder heads, engine blocks, and other critical components for “heavy duty off-road” engines.

Azzurra Capital will acquire the majority stake owned by the Stark Two vehicle, 75% controlled by Fondo Italiano d'Investimento and 25% by other co-investors. The founder Nicola Marchiando and the management team will continue to lead the Group while retaining a minority stake.

Founded in the 1950s and based in Castellamonte (Turin), Marval has established itself as a key player in the precision machining industry. The Group produces engine components for agricultural machinery and earthmoving equipment, catering to both combustion and electric or hybrid engines. Marval employs around 600 people and operates six state-of-the-art plants strategically located across the globe: two in Italy, three in China and one in the United Kingdom. This international presence underscores Marval’s commitment to providing high-quality, precision-engineered components to major international OEMs (CNH, John Deere, Kohler Engines, Iveco FPT, Sany, Liebherr, Ferrari, Li Auto and BYD). The Group can rely on an extremely solid customer base characterized by constant growth with minimal churn, long term production processes and significant whitespace for further expansion. Marval is completing a relevant expansion of the Castellamonte plant to increase its production capacity for European and American customers. In 2024, the Group is expected to register a turnover of € 160 million and an EBITDA of € 36 million.

Over the last years, Marval has dedicated significant resources to the study and engineering of components for hybrid and new-generation engines and is well-positioned for a new phase of growth and development in partnership with its customers. The Group has recently completed the opening of two new production facilities in China in order to satisfy this market opportunity.

Stefano Marsaglia, Founder and CEO of Azzurra Capital, commented: *“We are extremely satisfied to have acquired the majority of Marval and established a partnership with Nicola Marchiando, Founder, Chairman, and shareholder of the Group. Marval is a highly successful company and a leader in its sector not only in Italy but also in international markets. Together with Nicola Marchiando and his management team, we are confident that we can continue and further accelerate Marval's growth both organically and through acquisitions. The investment in Marval, following those in Desa and Lucart, is a further confirmation of Azzurra Capital's strategy to invest in the best Italian companies in partnership with the best Italian entrepreneurs.”*

Nicola Marchiando, Chairman of Marval, declared: *“I am very pleased to have Azzurra Capital as a partner in Marval. Over the past few months, we have developed an excellent mutual understanding and share the same ideas and strategies to successfully continue Marval's development both in Italy and internationally. I am confident that the partnership with Azzurra Capital will bring excellent results for Marval in the coming years in terms of size and profitability.”*

As part of the transaction, Azzurra Capital was assisted by Gianni & Origoni for legal aspects, Alvarez & Marsal for financial due diligence, Andersen for tax due diligence & structuring, and Accenture for commercial and ESG due diligence.

The sellers were assisted by Mediobanca as financial advisor and Gatti Pavesi Bianchi Ludovici for legal and tax aspects.

Press information

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Azzurra Capital is an international private equity fund with offices in Milan, Luxembourg, Dubai, London and Singapore and founded by Stefano Marsaglia. Azzurra Capital targets majority or qualified minority acquisitions in family-owned companies that are leaders in their business sector and led by a management team with a track record of success. Azzurra Capital takes a collaborative approach by offering support to the management team, always respecting their vision and experience. During the past year, Azzurra Capital completed its first investment by taking over 30 percent of Gruppo Desa S.p.A., an Italian detergent and personal care products company that owns brands such as Chanteclair, Spuma di Sciampagna and Quasar. During the last week, Azzurra has acquired a strategic stake in Lucart, a multinational paper group. Lucart makes airlaid, machine-glazed paper and tissue products. The production activities are organized across three Business Units (Away from Home, Consumer and Business to Business), engaged in the development and sale of products with brands, such as Tenderly, Tutto, Grazie EcoNatural and Smile (Consumer market) and Lucart Professional, Fato, and Velo (Away from Home market)

Website: www.azzurracapital.com

Linkedin: www.linkedin.com/company/azzurra-capital-management

MARVAL

Founded in the 1950s and based in Castellamonte (TO), Marval specializes in precision mechanical machining for cast iron and aluminum engine components for agricultural machinery and earthmoving equipment, catering to both combustion and electric or hybrid engines. With six production plants, including two in Italy, three in China, and one in the United Kingdom, employing around 600 people, Marval serves major international OEMs.

Website: <https://www.marval.it/en/>