

Press Review

MANDARIN CAPITAL PARTNERS ACQUIRES EURMODA

To create a leading group in the sector of metal accessories for luxury leather goods

Milan, 15 October 2019 – Creating an integrated group in the sector of metal accessories for leather goods that can bring together companies that are complementary in terms of customers, production and technology, under the guidance of private equity fund **Mandarin Capital Partners III (MCP III)**.

Such is the aim set by newly established Margot S.p.A, which has chosen to kick off with Eurmoda Srl, an Italian firm specialising in the production of fasteners, buckles and other metal accessories for leather goods and eyewear for the leading luxury brands.

Founded in 1986 and with offices in Pederobba (Treviso), Eurmoda closed 2019 with revenues of more than €30m, confirming its significant and continuous growth from 2016 (CAGR >20%) underpinned not only by the positive trend in its market but also a unique organisation in the sector which, combined with a capacity to develop original products, have made it an ideal partner for the world's major luxury brands.

The luxury fashion accessories sector is one that is highly fragmented and characterised by the outright leadership of Italian manufacturers. Of late, it has seen hefty investments by financial investors.

Margot, whose principal investor is Mandarin with approximately 70% of the capital, will be managed by Marco Vecellio, current CEO at Eurmoda, which will hold a 30% share. According to Andrea Tuccio, a partner at MCP, "The aim is to involve another 2 to 3 companies in the group over the next few months in order to double turnover. We are already in negotiations with companies which, if they can be included in the project, will enable Margot to diversify its customer base and enter the "affordable luxury" segment too, acquiring new technologies, optimising existing ones and extending its product range. The next acquisition is scheduled for January 2020."

Marco Vecellio, entrepreneur and CEO, explained: "The ultimate goal is to have a group that works together in synergy and in accordance with the principles of sustainability and concreteness, of a size and structure that will enable it to serve the major brands in the best way possible."

To bring this operation to fruition, Mandarin received support from Palmer Corporate Finance as its buy-side advisor, law firm Giovannelli e Associati for the legal aspects, KPMG for financial and tax due diligence, Gitti and Partners for tax issues, Long Term Partners for business due diligence and Tauw for ESG due diligence.

Eurmoda was assisted in the operation by Manfren e Gesthman for the financial aspects and law firm BM&A for the legal issues.