

MCP launches Fomab, an aggregation hub for bakery machinery, acquiring Vitella, Starmix, and Effedue

Yesterday, Mandarin Capital Partners III, a Private Equity fund specialized in investments in Italian export-oriented SMEs, closed the build-up of three companies active in the sector of bakery machinery for bakery shops, patisseries, and pizzerias. The companies are Vitella, Starmix and Effedue, three well-known brands on a worldwide scale for machines such as dividers, mixers, dough sheeters and planetary mixers and spiral mixers. The three companies are based in the province of Vicenza (Veneto region), within the bakery machinery manufacturing district that centralizes a significant portion of the Italian production. The new Group is expected to close 2021 with a turnover of ca. 23 million, profitability of over 15% and an export share of around 60%. Vitella, Starmix and Effedue are recognized for their products' quality and reliability, as well as for their focus on innovation.

The project developed by MCP envisages further future add-ons for Fomab, also with the aim of offering a wider products portfolio to its customers. The goal is to create a reference player in a sector that sees "Made in Italy" excelling worldwide (supplying 65% of the world market), but also characterized by deep fragmentation.

The entrepreneurs of the three acquired firms (Alberto Vitella, Michele Stella, and Luca Fabris) will hold managerial roles within the new Group. Paolo Zunino, a manager with longstanding experience in the food machinery sector also as ex-manager in Esmach (Ali Group), will be appointed as CEO. For the role of Chairman, MCP appointed Gianluca Boni, a manager who has led several build-up projects also on behalf of private equity funds.

A key role in the project development was played by Eos & Partners, a global advisory boutique led by Roberto Duchini, Emilio Marcon and Franco Silvano Toni di Cigoli, based in North-Eastern Italy, who assisted the sellers. MCP was assisted by KPMG, as buy side advisor and for the financial-tax due diligence, while the commercial due diligence was conducted by GEA. On the legal side, MCP was assisted by the Pavia e Ansaldo law firm with a team led by the Partner Giuseppe Besozzi flanked by associates Martina Bosi and Martina Villa, while the sellers were advised by Eos & Partners, the SAT firm (lead by Alvisè Spinazzi and Silvio Genito), Casa & Associati (with counsellor Silvia Rosina), and Franco & Associati (with Silvia Fiorin). Mr. Zunino was advised by Andersen with the lawyers Rice and Ferrandi. Electa Italia supported MCP in structuring the closing.

The transaction was financed by BPER, which was assisted by a team of Simmons & Simmons' coordinate by Davide D'Affronto. MCP's debt advisor was Alessandro Azzolini's team from PwC.

Lorenzo Stanca, MCP Managing Partner said: "With this transaction we aim to create a reference operator in a segment that sees Italy standing out worldwide in terms of quality, reliability and innovation. The build-up of the three companies will unleash productive and commercial synergies and will improve the quality of services offered to customers, as well as is expected to grant new scenarios to the people working in the Group".

Paolo Zunino declared: "Transactions like this represent a strong stimulus to companies that are already well positioned and with renowned products on the market. Size is a key factor because it allows to offer better services and greater reliability to customers".

Michele Stella of Starmix said: "In the last few years, we have realized that the Italian North-eastern model "small is beautiful", which for years has undoubtedly managed to create value and wealth, is struggling to compete on an international level. The complexity characterising the global markets requires capital and skills that a small business can harshly find. The aggregation project, in addition to strengthening our presence on international markets, will help us to face new challenges soon: green, e-commerce, and AI. The Group's goal is to become a reference player for the entire sector in order to compete with the top-tier world groups. "

Alberto Vitella of Vitella said: " I strongly believe in this project because I consider it crucial for our development and because it represents a concrete opportunity for future growth, both personally and for the entire Group. Unity is strength!"

Luca and Silvano Fabris, of EffeDue, declared: "With this deal, a new Group is born that aspires to compete among the leaders in the sector. We hope to be an example for young entrepreneurs and that more and more realities like this will join forces for the development of many Italian companies around the world. "

Founded in 2007, MCP is a fully independent firm operating as a unique cross border private equity house for mid-market companies located in Italy and in the DACH region that can benefit from enhanced growth strategies in international markets. Since inception, MCP has invested over € 500 million in 24 platform investments across three funds. MCP proposition is grounded on a balanced and diversified investment strategy, focused on a multi-industry approach with preference for export-oriented sectors and those where Italy can typically boast some world-class excellence. MCP team, composed by 16 professionals, is located across Europe and Asia, headquartered in Luxembourg with offices in Milan and Shanghai. The on-the-ground presence in different markets enables to develop a high-quality proprietary deal sourcing, identifying unique investment opportunities and add-ons in market niches.

To find out more, visit: www.mcpinvest.lu.

Milan, 26 November 2021