



Press Release

Edmond de Rothschild Investment Partners and Fondo Italiano d'Investimento acquire a minority stake in Unitedcoatings Group

Milan, 26 december 2012 – Edmond de Rothschild Investment Partners, through its vehicle Winch Capital 2, and Winch Italia, both advised by Mast Capital Partners, together with Fondo Italiano d'Investimento have signed just before Christmas an investment agreement in order to acquire in equal proportions a minority stake in the Unitedcoatings Group via the subscription of a 20 M€ capital increase.

Unitedcoatings Group is one of the leading providers of high-tech coating services for the power equipment and orthopaedic implants industries. In the Energy division, coating services are provided to guarantee the protection of the hot section of a gas turbine (i.e. engine critical blades and vanes) improving performances and service life of industrial gas turbines, while the Biomedical division provides titanium and hydroxyapatite coatings to promote biointegration between the bone and the implant. The Group carries-out its activities through three key companies in Italy namely Turbocoating, Eurocoating and Artec dedicated to the European markets and through two US subsidiaries, Turbocoating Corporation and Surface Dynamics for the North American market.

In 2011 Unitedcoatings Group generated a pro-forma consolidated turnover of 40 M€, of which approximately 80% was achieved abroad by providing coating services to blue chip clients such as Siemens and Alstom in the energy industry and Zimmer and Tornier in the biomedical market. The Group operates out of 5 manufacturing facilities in Italy and 3 in the US with the latter established over the last two years by investing significant resources totalling 18 M€. Despite the global financial crisis over the last five years the Group has been growing at a CAGR in excess of 8%.

The investment of EdRIP and FII in the Unitedcoatings Group enables the founder and majority shareholder, Nelso Antolotti, to buy-out the remaining 50% of the Biomedical division from a minority shareholder in order to rationalise the Group by combining under a common roof the 100% owned energy division and the whole of the biomedical business consolidating its business in Europe, as well as to support the strong expansion in US.

The significant expected growth of the gas turbine market in the US is mainly driven by the conversion of coal-fired plants to cleaner-burning gas-fired plants as a result of the increasing availability and reducing cost of gas fostered by shale gas extraction, which is increasing the relative importance of gas in the country's energy mix. In the biomedical sector the key growth drivers are the increasing incidence of the relevant pathologies especially obesity and arthritis as well as the ageing of the population associated with the willingness to improve quality of life even at an older age.