

**PRESS RELEASE**

***Final closing at Euro 80 million for the second Fund of Arcadia SGR***

*Milan, 23 May 2019*

Arcadia SGR ("Arcadia"), led by Simone Arnaboldi and Guido Belli, announced the *final closing* at Euro 80 million for its second Private Equity Fund, Arcadia Small Cap II ("ASC II" or "the Fund").

40% of ASC II is subscribed by foreign investors, mainly represented by the European Investment Fund, which participates to the Fund through two mandates: a commitment from the European Commission, as part of the so called Junker Plan, and AlpGip, an investment platform participated by most of the Alpine Regions. Private investors and Family Offices represent 45% of total commitment, institutional investors 9% and Arcadia's management 5%. Almost all investors of the first fund, Arcadia Small Cap ("ASC"), have invested in ASC II, and most of them have increased their commitment.

ASC II follows the same investment strategies of the previous fund: focus on SME as defined by the European Commission (maximum 250 employees, revenues lower than Euro 50 million or balance sheet not higher than Euro 43 million), with no or limited use of leverage for the acquisition. The value creation is based on the strategic focus, the professionalisation and the growth of the companies.

ASC, with a total commitment of Euro 53 million, has completed 4 investments and two divestments, returning to its investors about 90% of the amount drawn. TVPI equals over 1.3x the amount drawn, with an IRR equal to 11%.

With the launch of ASC II, Arcadia has hired 3 new professionals, introducing a CFO with a significant experience as CFO and COO within Corporate Finance, Real Estate and Asset Management companies.

Since the beginning of the investment period of ASC II, Arcadia has analysed over 200 investment opportunities and has completed the acquisition of two companies, investing about 25% of the total commitment of the Fund:

- 100% of Chiorino Technology, a company specialised in the finishing of leather goods for the luxury segment of the fashion industry;
- 75% of Castello Italia, leading extrusion plastic tubes manufacturer, focused on the automotive and industrial equipment markets.

In both companies Arcadia, with the support of its Business Partners, is focusing on the strengthening of the management team, the improvement of the production asset and the strategic development.

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Arcadia SGR S.p.A. ([www.arcadiasgr.it](http://www.arcadiasgr.it)) is an independent asset management company controlled by the management, authorized by the Bank of Italy. Founded by Simone Arnaboldi and Guido Belli, Arcadia focuses on equity investments in Italian small-middle cap unlisted companies. The team professionals have gained a cumulative experience of over 70 years in the Private Equity industry and are assisted by a group of managers / entrepreneurs ("Business Partners") with highly successful experiences, leading companies to achieve significant growth and value creation.

The investment strategy is characterised by an industrial approach: Arcadia's team and its Business Partners actively manage the portfolio companies through a direct presence in the Boards of Directors, supporting the implementation of the business plan.

Arcadia is partner of Borsa Italiana in Elite – a program aiming to support excellent SMEs by facilitating their access to the capital market and the banking system, and the completion of their internationalisation project ([www.elite.borsaitaliana.it](http://www.elite.borsaitaliana.it)). The portfolio company Vision Group S.p.A., an Italian leader in the specialized distribution of optical products with more than 2,000 affiliated outlets, participates in the Elite program.

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