



Dual Acquisition by Entangled Capital and Capital Dynamics

Creation of a Market Leader in Pharmaceutical Glass

Milan, 28th February, 2024 – Dual acquisition by Entangled Capital and Capital Dynamics which have invested in **Sicatef** (Treviglio, Italy) and **Luxenia Umbro Tiberina** (Perugia, Italy) through their portfolio company **Alphial**. The two acquired companies produce and distribute tubular glass ampoules and have been present in the important pharmaceutical glass market for over 90 years.

Sicatef and Luxenia hold leading positions in both the Italian and global markets where they are reference suppliers of pharmaceutical glass to pre-eminent pharma companies. This positioning has been achieved thanks to the combination of well-developed Italian know-how, the use of high-quality raw materials and automated, technologically advanced production lines, so ensuring a premium product offering. Sicatef and Luxenia enjoy aggregate annual revenues of over Euro 13 million and an EBITDA margin exceeding 20%.

The Alphial group, originally born from the merger of SM Pack (Felino, Italy) and Crestani (Sandrigo, Italy), is owned 70% by Entangled Capital's first fund and 30% by Capital Dynamics. With the dual acquisitions of Sicatef and Luxenia, the group's total production capacity is of over 1.5 billion pieces per year and creates now the largest privately-held European manufacturer of glass ampoules and vials for the pharmaceuticals and cosmetics sectors with a European market share of *circa* 30%. The development of the Alphial group via this buy-and-build approach is expected to generate significant commercial and industrial synergies amongst all the companies involved. Overall, the enlarged Alphial expects to earn annual revenues of *circa* EUR 40 million and group EBITDA exceeding EUR 8 million.

This transaction firmly illustrates the investment value creation strategy that Alphial's shareholders intend to pursue in the lower mid-market. In particular, they seek to create centres of excellence in fragmented sectors, support small- and medium-sized family businesses in their organic development and growth via acquisition and strengthen the position of the underlying business in the domestic and international markets served.

Roberto Giudici, CEO of Entangled Capital SGR, commented: "Starting from a small family business, we are proud to have created the European leader in the production of glass ampoules for the pharmaceutical sector in just a few years. We are also pleased to be able to make a meaningful contribution at a national level to the creation of an Italian centre of excellence in pharmaceutical glass packaging."

David Smith, Capital Dynamics' Senior Managing Director, remarked: "The additions of Luxenia and Sicatef within the perimeter of Alphial position the much-enlarged business as the privately-held country market leader in pharmaceutical ampoules and sterilised vials with strong sustainability credentials. We are delighted to have enhanced and deepened our successful partnership with Entangled Capital and the professional CEO of the enlarged group, Valerio Marchi."

Valerio Marchi, CEO of Alphial, added: "The dual acquisition is part of the company's strategic plan which aims to make major industrial investments to strengthen production capacity and build a customer/product portfolio of demonstrable value. The Alphial group, with a total of five plants and 61 lines, thus doubles its production capacity."

Entangled Capital was supported by Giovannelli e Associati for legal aspects, by Spada Partners for accounting and tax due diligence and by Libra for ESG due diligence. Bird & Bird rendered legal advice to Capital Dynamics. The shareholders of Sicatef and Luxenia were assisted by the M&A Advisory team of Ethica Group as financial



adviser to the transaction, by Horizon as business adviser and by Gelmetti Studio Legale Associato with respect to legal matters. The acquisition financing for the transaction was provided by Cassa Centrale Banca which was assisted by the law firm Shearman & Sterling.

###ENDS###

About Entangled Capital

Entangled Capital SGR, founded by Roberto Giudici and Anna Guglielmi, promotes private equity funds focused on small- and medium-sized Italian companies, investing in industrial, production and technological situations, combining the professionalism of the management team with the experience of the entrepreneurs and managers involved in the target companies that reinvest in partnership with the fund. Entangled Capital's first fund (EC I), operational since January 2020, has now carried out eight investment transactions, including add-ons, having raised a total of over EUR 100 million.

EC I's investment strategy is focused on Italian companies with an annual turnover of between EUR 15 million and EUR 50 million, with an average EBITDA margin of between EUR 3 million and EUR 7 million. EC I's team intends to support investee companies in a path of professionalisation and growth in order to create value and, therefore, returns for EC I's investors.

Entangled Capital SGR has signed the UN-supported Principles for Responsible Investment (UNPRI) and is a member of the UN Global Compact Network for Italy, each in an effort to play an active and responsible role in investment activities that aim to increase the sustainability of EC I's investee companies and of the manager/SGR itself.

In addition to Roberto and Anna, the team comprises Paolo Bortolani (Investment Manager), Micki Mineo (Investment Associate), Gianluca Croci (Investment Analyst) and recent addition Alessandro Elli who serves as back office manager. For more information, please visit: www.entangledcapital.com.

About Capital Dynamics

Capital Dynamics is an independent global asset management firm focusing on private assets, including clean energy, private equity (primaries, secondaries and direct investments) and private credit. Established in 1988, the firm has extensive knowledge and experience developing solutions tailored to meet the exacting needs of a diverse and global client base of institutional and private wealth investors. Capital Dynamics oversees more than USD 14 billion in assets under management and advisement¹, and employs approximately 150 professionals globally across 12 offices in Europe, North America, and Asia.

The firm systematically combines a responsible investment approach at organisational and investment levels thanks to its patented R-Eye™ evaluation methodology, aimed at optimising risk-adjusted returns for its investors and ensuring full alignment between stakeholders and the company. For more information, please visit: www.capdyn.com.

¹ As of December 2023, Assets under Management were calculated based on the total commitments as of the final closing date for all funds currently managed by Capital Dynamics, including amounts that have been distributed. Assets under Advisement includes assets for which Capital Dynamics provides services such as reporting, monitoring and risk management.



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