

PRESS RELEASE

## **Alcedo sells Diplomatic to Daikin Industries**

***The GP, through Alcedo IV Fund, and Daikin Industries agreed on the sale of Diplomatic, a leading Italian player in the global Motion Solutions market***

*Treviso - Osaka, 28<sup>th</sup> April 2022* - Alcedo Sgr ("Alcedo") and Daikin Industries, Ltd. ("Daikin") announced today that Alcedo have agreed to sell Diplomatic Motion Solutions (trading name of Diplomatic MS S.p.A., "Diplomatic"), a leading player in the global Motion Control market, to Daikin.

Alcedo, through Alcedo IV Fund, acquired the control of Diplomatic in 2017, in partnership with the top management of the company. Under the ownership of Alcedo, Diplomatic has developed organically and through strategic acquisitions to become a global leader in the manufacturing of pumps, valves, actuators and complete systems for the hydraulics market, along with electrical actuators and Motion Control solutions in general. The company has been constantly growing for the last years, increasing from one single facility to 15 production sites at present, covering Italy, Germany, the U.K., the U.S.A., Australia, China, and India. Growth has been accelerated by the Alcedo-driven acquisitions of the Hydreco Group (headquartered in U.K. with subsidiaries in six geographies) in 2019 and of Guenter Till GmbH & Co KG Praezisionsmechanik (headquartered in Germany) in 2021. The Group's revenues are today in excess of 147 million Euro, servicing more than 5.000 customers globally. The company is headquartered in Parabiago, Milan, Italy.

Michele Gallo and Marco Guidolin, Partners at Alcedo said: "We acquired Diplomatic in 2017 with 70 million Euro of revenue and presence in three geographies. Today the Group's revenue is over 147 million Euro with presence in seven countries. This is a remarkable achievement for Diplomatic and its fantastic management team and we would like to thank them for the tremendous partnership that we have enjoyed for almost five years. We are delighted that having thrived under our ownership, Diplomatic can now continue to grow with Daikin as its partner."

Roberto Maddalon, CEO of Diplomatic said: "Over the last years, Diplomatic has expanded rapidly to become a key supplier for mobile (agricultural equipment, construction, earth-moving machines) and industrial automation applications. This success has been achieved through the hard work of our people and a deep partnership with Alcedo. This relationship has helped to develop internationally and establish ourselves as a key supplier to our customers. I sincerely thank Alcedo for their incredible support and am looking forward to the next step of our journey with Daikin. Their global reach provides us with a significant platform for success as we seek to execute our ambitious growth plans together."

Daikin said: "We are so grateful to Alcedo and Diplomatic for giving us such a wonderful opportunity. Daikin is aiming toward contributing to sustainable society through business activities, and we believe Diplomatic is the best partner for such purpose in the hydraulic field. Especially in Europe, we would be pleased to serve growing demands for carbon neutrality in industrial sectors by combining Diplomatic's wide product portfolio and strong system design capability, and Daikin's energy-saving "Hybrid" hydraulic technologies. And with the complementary nature between Diplomatic and Daikin in terms of product, geography and technologies, we foresee further growth opportunities worldwide. We are thrilled in welcoming Diplomatic to Daikin group, and look forward to enjoying new endeavour together with all employees of Diplomatic group."



At Alcedo, the transaction was conducted by Partners Michele Gallo and Marco Guidolin supported by Senior Investment Analyst Gioia Ronchin. Alcedo was advised by DC Advisory as sole M&A advisor and Gitti and Partners as legal and tax advisor.

Daikin was advised by Bankhaus Metzler as sole M&A advisor and Nishimura & Asahi and Gianni & Origoni as legal advisors.

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### **About Diplomatic**

Diplomatic is a leading player in the global Motion Control market and a leader in the manufacturing of pumps, valves, actuators and complete systems for the hydraulics market, along with electrical actuators and Motion Control solutions more broadly. Diplomatic products are being used in Mobile (agricultural equipment, construction, earth-moving machines) and Industrial Automation applications. The company is headquartered in Parabiago, Milan, Italy.

<https://www.diplomatic.com>

### **About Alcedo SGR**

Alcedo SGR is one of the leading players in Private Equity in Italy and specialises in the management of Closed-End, Reserved Alternative Investment Funds. Alcedo is based in Treviso and for more than 30 years has been dedicated to investments in Italian excellence, with a predominant focus in small- and medium-sized businesses in Northern and Central Italy. The Alcedo Investment Team has developed a unique approach to Growth Buyout investments, based on creating strategic partnerships with entrepreneurs and managers, aimed at fuelling companies' growth through shared plans and objectives, both organically and through acquisitions. Diplomatic is a portfolio company of Alcedo IV Fund, which raised 195 million euros in May 2016.

<https://www.alcedo.it>

### **About Daikin**

Daikin Industries, Ltd. is a global leader in the market of residential, commercial and industrial use air conditioning systems. Daikin's annual revenue exceeds 23 billion dollars in 2020, and the company operates in more than 160 countries around the world. In addition to its air-conditioning business, Daikin develops and manufactures oil hydraulic pumps and oil hydraulic units with strengths in energy-saving solutions, higher precision, quieter operation and miniaturisation. Daikin entered the hydraulic sector in 1929, as the first company in Japan to handle lubrication equipment for shipbuilding and engine manufacturers and since then has been contributing to worldwide industrial development.

<https://www.daikin.com/>

### **FOR MORE INFORMATION**

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