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Private Equity

Equinox purchases 60% of MIGAL Group, the leading player in the hot forging of metal components, valued 100 mln euro



Equinox III, fund managed by Equinox won the auction for 100% of the **Migal group**, specialized in the production of molds and mechanical processing and formed by **Migal**

srl, **Metal Technology srl** and **Zucchetti Mario spa**, the latter acquired in December 2019. The **Mingotti family** sold the business and **will reinvest 40%** in the new shareholding. The group was valued at **100 million euros**.

According to BeBeez, the auction, which was originated and managed by the financial advisor **CP Advisors**, saw the participation of various strategic players (**Bons & Evers Holding**, **Marmon Group**, **Mueller Industries**, **KKSP**) and national and international financial players (**Checkers Capital**, **Sterling Square One Equity Partners**, **Stellex**, **21 Investimenti**, **Green Arrow**).

Equinox was assisted in the transaction by Shearman & Sterling for the legal aspects, by PwC for the financial due diligence, by the Gattai Pavesi Bianchi Ludovici firm for the tax due diligence, by Rolan Berger for the business due diligence and EMR for the environmental aspects.

CP Advisors originated and managed the sale process, assisting the Mingotti family, while Studio Pedersoli assisted Migal for the legal and tax aspects and Kpmg for the accounting and auditing due diligence aspects.

Founded in 1983, Migal Group is today one of the European leaders in the engineering, design, production and processing of components in non-ferrous materials such as brass, copper and aluminum. Thanks to technological diversification, the Group serves several vertical markets, ranging from the water sector (water meter shells, fluid control valves, high pressure pumps) to medical gas (valves) and electrical (switchgear and connectors) and has an important customer base consisting of blue chips of the caliber of Comet, Honeywell, Itron, Interpump, Rotarex, Schneider, to name a few.

Migal operates through three production plants that occupy a total area of over 70,000 square meters in the provinces of Brescia (Marcheno, Villa Carcina) and Bergamo (Antegnate) and has over 260 employees. The significant investments made in recent years aimed at increasing production efficiency and further expansion by external lines with the acquisition of Zucchetti Mario, have led the Group to face the 2020 pandemic with some solidity and generate consolidated revenues of approximately 85 million euros and 13 million euros of EBITDA.

In 2021 Migal is in line to reach **105 million euros in revenues**, of which over 60% generated abroad, in particular Germany, France, Switzerland and the USA, with 15% ebitda margin.

The objective of this partnership is to support growth by external lines, through further acquisitions that can allow an expansion of complementary technologies and greater territorial proximity to the customer with targeted operations in Germany, France and the United States.

On the other hand, the expectations of growth and the fragmentation still in place in the reference sector of the Group, represented the decision-making driver at the base of the various acquisitions and combinations that in recent years have seen the forging sector as a protagonist at a global level: **HIG Capital** with the acquisition of **Metal Print**; **Bencis Capital** with the purchase of the historic **Bons & Ever**; **Tail Wind** with the purchase of **Smith & Cooper** and the subsequent merger with **Anvil international** (formerly owned by **One Equity Partners**); **Mill Point Capital** with the purchase of the American **KKSP**, in addition to the important aggregation process carried out by the US giant **Mueller Industries** (through serial acquisitions in Europe and the United States). The global hot stamping market has a production size of around 48 billion euros and is expected to grow significantly in the years to come with a CAGR of over 7% until 2025. The European area, the main outlet for the Migal group, worth about 23% of the global market (second only to the APAC area with 44% and tied with the United States), where Germany, France and Italy have a leadership position constituting 50% of the entire European market.

As for Equinox III, we recall that in December 2020 it had bought **80% of Clas**, a Ligurian company world leader in the production of pesto from Italian basil for the main brands of the industry and the brands of large-scale distribution in Italy and abroad ([see other article by BeBeez](#)).

The fund also holds in its portfolio: 40% of **Manifattura Valcismon** sportswear; 55% of software manufacturer for the financial sector **Quid Informatica**; and 66% of the **VPA** and **Lombardi** jewelry brands.

Equinox III, a Luxembourg fund, was launched in 2017 (see another article by BeBeez) and subsequently closed at **€ 360 million** with commitments signed by some of the major Italian institutional investors and by various private investors and family offices. Equinox III also benefits from financial support from the European Union, through the **European Fund for Strategic Investments (EFSI)**