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**PRESS RELEASE**

# NB RENAISSANCE PARTNERS INVESTS IN RINO MASTROTTO GROUP

Milan, 5 August 2019 – NB Renaissance Partners ("NBRP"), Neuberger Berman's private equity business in Italy, announces that it signed a binding agreement to acquire from the founding Mastrotto family a majority stake in Rino Mastrotto Group S.p.A. (the "Group"), the global leader in the production and sale of premium bovine and calf leather to the worldwide fashion ("Fashion Business Unit"), high quality leather for automotive steering wheels, with a growing presence in seats and dashboard ("Automotive Business Unit"), and upholstery industry ("Upholstery Business Unit").

Upon completion of the transaction, the Mastrotto family will retain a significant minority stake and will continue to maintain key management roles: Mr. Rino Mastrotto will be the Executive Chairman of the Group, Mr. Matteo Mastrotto will be appointed CEO and will continue to act as Head of the Fashion Business Unit, while Mrs. Barbara Mastrotto will maintain her role as Head of the Automotive Business Unit.

Rino Mastrotto Group is the global leader in the production of bovine and calf leather for the luxury leather goods market, serving the most prestigious brands worldwide in the absolute and aspirational segments. The Group is globally recognized for the high quality standards and for being at the forefront of process and technical innovation.

The Group is also one of the leading suppliers of leather for auto steering wheels, one of the most complex and stressed car components which require leather to be resistant to touch and chemical products such as hand creams and lotions. Rino Mastrotto Group is also developing a presence in car seats and dashboards, investing in cutting process activities that is a relevant value added.

Rino Mastrotto Group also enjoys a solid reputation in the upholstery market, offering a wide portfolio of premium products to many brands in the luxury and high-end segment.

With a global production footprint, the Group operates an integrated business model covering all production cycles of the leather treatment, from the selection of raw hides to tanning, dyeing and finishing. In Italy, the Group operates four production plants: Calbe / Brusarosco, specialized in the production of leather for the automotive industry, Basmar and Pomari both specialized in the production of high quality leather for international fashion clients, and Galassia, focused on some activities for the other production units of the Group. Rino Mastrotto Group also operates a production plant in Sweden (Elmo) and one in Brazil (Bermas), both dedicated to the automotive and upholstery sectors, as well as a joint venture in Mexico specialized in cutting of finished leather.

Today, the Group employs over 850 people and sells its products in 60 countries generating around 60% of revenue outside of Italy. International exposure increases to over 80% on a see-through basis as many clients are fashion brands which produce in Italy, but export most of their goods. In recent years, Rino Mastrotto Group experienced strong growth, increasing revenue from approximately €260 million in 2015 to approximately €320 million in 2018, and represents a reference point for the Italian leather industry, a sector that enhances a by-product of the food industry that otherwise would be disposed. The Italian leather industry has been historically considered at the forefront due to its high technological and qualitative standards, its commitment to the environment and its capacity to innovate in terms of stylistic content, boasting a production value of approximately €5 billion (of which 75% generated abroad) and

employing approximately 18,000 FTEs in over 1,200 companies. Rino Mastrotto Group is headquartered in Trissino (VI), in the Veneto district which, with its 130 square kilometres, is home to one of the largest leather districts in the world as well as the most important Italian leather district in terms of production and number of employees.

Fabio Canè (Senior Partner), Michele Quaranta (Partner) and Alessio Masiero (Principal) of NBRP, said: "Rino Mastrotto Group perfectly fits with NBRP's investment strategy as it represents an example of a globally recognized excellence of the "Made in Italy", in a sector in which Italy boasts a unique know-how thanks to the success of the "districts model" which traditionally characterizes a relevant portion of the Italian manufacturing economy. Rino Mastrotto Group is identified as the reference company in the leather industry, also thanks to its ability to combine the high quality standards of its products with a rigorous environmental policy, based on a sustainable and environmental-friendly industrial production. In addition, we strongly believe that the Group represents the ideal platform to grow both organically and by consolidating a highly fragmented sector and we are excited that the Mastrotto family has selected NBRP for this new phase of growth".

Rino Mastrotto, Chairman of Rino Mastrotto Group, commented: "After many years of work characterized by many successes and important achievements, we have now decided to continue our journey with a financial partner able to support the Group in the next phase of growth, exploiting all the opportunities the market is offering. Together, we discussed for a long time to find the right formula for the future development which rewards and guarantees the work of all of the employees and partners who, in various roles and tasks, have contributed to our success. We are convinced that this transaction will allow us to realize everything we have always dreamt for the Group: continue to progress all together, transforming the market challenges in opportunities for us".

Matteo Mastrotto, CEO of Rino Mastrotto Group, commented: "We believe NB Renaissance Partners will be a reliable partner and its experience in the international markets will strengthen the Group, ensuring both adequate financial resources to invest in know-how and technology as well as the satisfaction of our clients, which remains our priority".

Barbara Mastrotto, Head of the Automotive Business Unit, commented: "I recognize that this has not been an easy step, but the perspective of allowing our Group to benefit from an exceptional accelerator for the development of the activity, with the introduction of new management and governance methodologies, has generated in me a strong belief and enthusiasm for this project".

NBRP was advised by Legance (legal), Bain & Company (commercial), Deloitte (accouting and tax), Gattai, Minoli, Agostinelli & Partners (tax), Aecom (environmental) and Fineurop Soditic (financial). Essentia Advisory assisted NBRP as debt advisor in the structuring of the acquisition financing with a pool of Italian and international banks.

The Mastrotto family has been assisted by Chiomenti (legal), Roland Berger (commercial), Ernst & Young (accounting, legal and tax) and ERM (environmental). Banca IMI has acted as financial advisor to the Mastrotto family.

**NB Renaissance Partners**

NB Renaissance Partners is a fund formed in 2015 from the strategic partnership in private equity in Italy between Neuberger Berman and Intesa Sanpaolo. The NBRP platform currently manages total commitments of €1.5 billion across three funds, NBRP Fund III, NBRP Annex Fund and the first NB Renaissance Partners fund. Neuberger Berman is a global independent investment manager, entirely owned by its employees. The firm manages equities, fixed income, private equity and hedge fund portfolios for institutions and advisors worldwide. With offices in 22 countries, Neuberger Berman has more than 2,000 professionals. As of March 31, 2019 Neuberger Berman manages approximately $323 billion in clients assets, including over $70 billion in alternatives (mainly private equity). For additional information, www.nb.com.

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