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PRESS RELEASE

NB RENAISSANCE PARTNERS INVESTS IN HYDRO HOLDING

Milan, 10 December 2018 – NB Renaissance Partners ("NBRP"), Neuberger Berman's private equity business in Italy, announces today that it signed a binding agreement to acquire a majority stake in Hydro Holding (the "Group"), the largest European independent manufacturer of mission critical hydraulic components, from Mandarin Capital Partners, Atlante Private Equity, the founding families and other minority shareholders.

The Vaghi, Facondini, Cerase and Brivio families, founders of Tieffe, FB Hydraulic, MCS Hydraulics and Raccorfer respectively, will reinvest alongside NBRP with a minority interest and will retain key management roles in the Group.

With four production plants in Italy and one in the Czech Republic, Hydro Holding is the result of the strategic combination of leading Italian producers of fittings for oleodynamic flexible hoses, Tieffe (one of the largest European producers of carbon steel fittings), FB Hydraulic (leader in the production of hose fittings and in the assembling of flexible hoses and rigid pipes), MCS Hydraulics (specialized in the production of stainless steel fittings) and Raccorfer (a cold forming technology specialist).

Today, the Group employs approximately 310 people and leverages a complete range of production technologies (more than 100 production lines including numerical control machines, multi-spindles, transfers as well as cold-forming machines) and is present in 60 countries generating approximately 80% of sales outside of Italy, also through commercial branches in Germany, the UK and the US.

The Group enjoys a comprehensive product offering with a full range of fittings for flexible hoses, adaptors, assembled hoses and rigid pipes for high-pressure hydraulic systems with main application in agriculture, construction, mining, material handling and transportation. Hydro Holding generates approximately 65% of sales in the aftermarket channel as its global customer base is largely composed by assemblers and distributors, while the remaining 35% of sales are first installations/OEMs.

In recent years, Hydro Holding experienced strong growth, increasing sales from approximately €40 million in 2016 to approximately €60 million expected for 2018, with an EBITDA margin of approximately 25%. The Group is well positioned in the hydraulic components market, where Italy represents the second largest European producer and the fifth worldwide, with an aggregated production value of €2.6 billion and more than 17,000 FTEs.

Marco Cerrina Feroni (Senior Partner) and Michele Quaranta (Partner) of NBRP, said: "Hydro Holding perfectly fits NBRP's investment strategy representing an Italian excellence in a sector niche, with global presence and led by an experienced management team. Italy is recognized as a leader in the production of hydraulic components and we strongly believe that Hydro Holding represents the ideal platform to create an undisputed champion in the sector by reinforcing its relationship with existing clients as well as accelerating the acquisition of new clients both in Europe and North America. We are very excited to partner with the Vaghi, Facondini, Cerase and Brivio families in this new phase of growth".

Davide Facondini, Chairman of Hydro Holding, commented: "We are proud of the Group's results to date, achieved also thanks to the support of Mandarin Capital Partners and Atlante Private Equity. We believe there are significant growth opportunities for us to explore and NBRP's expertise, financial

resources and global network will be key to appropriately address the future challenges posed by the market".

NBRP was advised by Gatti Pavesi Bianchi (legal), Boston Consulting Group (commercial), New Deal Advisors (accounting) and Studio Chrea (tax). Essentia Advisory assisted NBRP on the financing of the transaction.

Mandarin Capital Partners, Atlante Private Equity and the shareholders were advised by GCA Altium and Fineurop Soditic (financial), Roland Berger (commercial), LMCR (legal), PWC (accounting), STS Deloitte (tax) and ERM (environmental, health & safety).

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 20 countries, Neuberger Berman has more than 2,000 professionals. As of September 30, 2018 Neuberger Berman manages approximately $315 billion in clients assets, including approximately $65 billion in alternatives (mainly private equity). For additional information, www.nb.com.

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