



FSI Mid-Market Growth Equity Fund

Rome - June 13th 2017

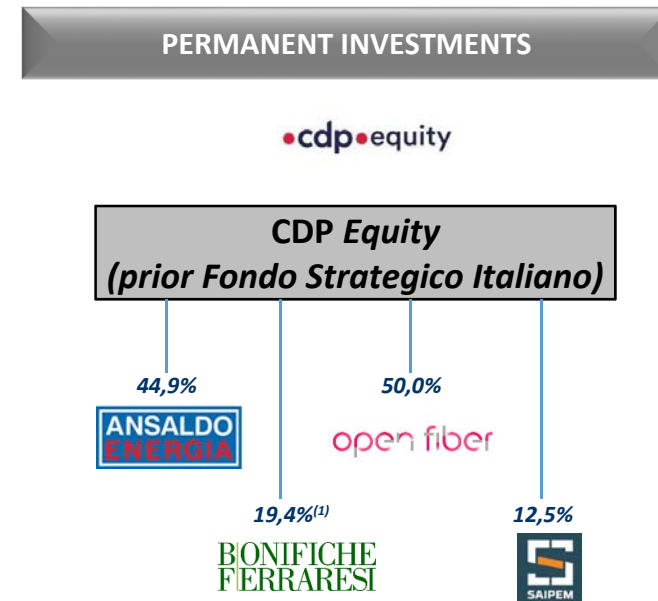
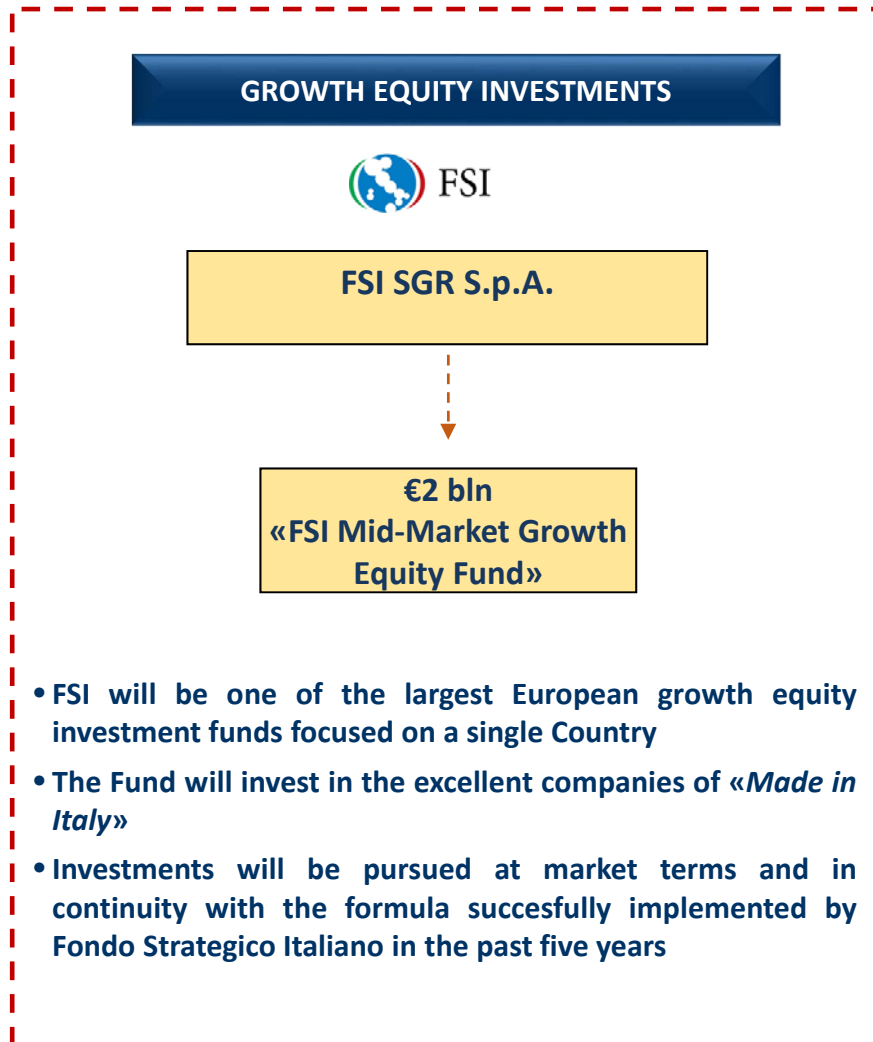
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- **FSI introduction**
- The “*Made in Italy*” investment opportunity

Introduction

- **FONDO STRATEGICO ITALIANO** HAS BEEN SPONSORED BY THE **ITALIAN GOVERNMENT** AND PROMOTED BY **CDP**, THE ITALIAN DEVELOPMENT BANK, AS **THE ITALIAN SWF** TO:
 - ATTRACT FOREIGN DIRECT INVESTMENTS
 - ALLOW SOVEREIGN AND INSTITUTIONAL INVESTORS TO ACCESS THE ITALIAN CORPORATES WITH GROWTH POTENTIAL
- **IN 5 YEARS, FONDO STRATEGICO ITALIANO** ESTABLISHED ITSELF AS THE LEADING ITALIAN **GROWTH EQUITY INVESTOR**
- **€3.6 BLN** INVESTED IN ITALIAN CORPORATES
- **RECOGNIZED AS A TRUSTED PARTNER** BY ITALIAN ENTREPRENEURS PURSUING GROWTH PLANS
- **PARTNER OF PRIMARY INTERNATIONAL SOVEREIGN WEALTH FUNDS**, SOME OF WHICH CO-INVESTED WITH FONDO STRATEGICO ITALIANO
- **FONDO STRATEGICO ITALIANO INVESTMENTS PORTFOLIO GREW** IN REVENUES, EMPLOYEES AND PROFITABILITY ABOVE THE ITALIAN AVERAGE

FSI is the successor of Fondo Strategico Italiano in growth equity

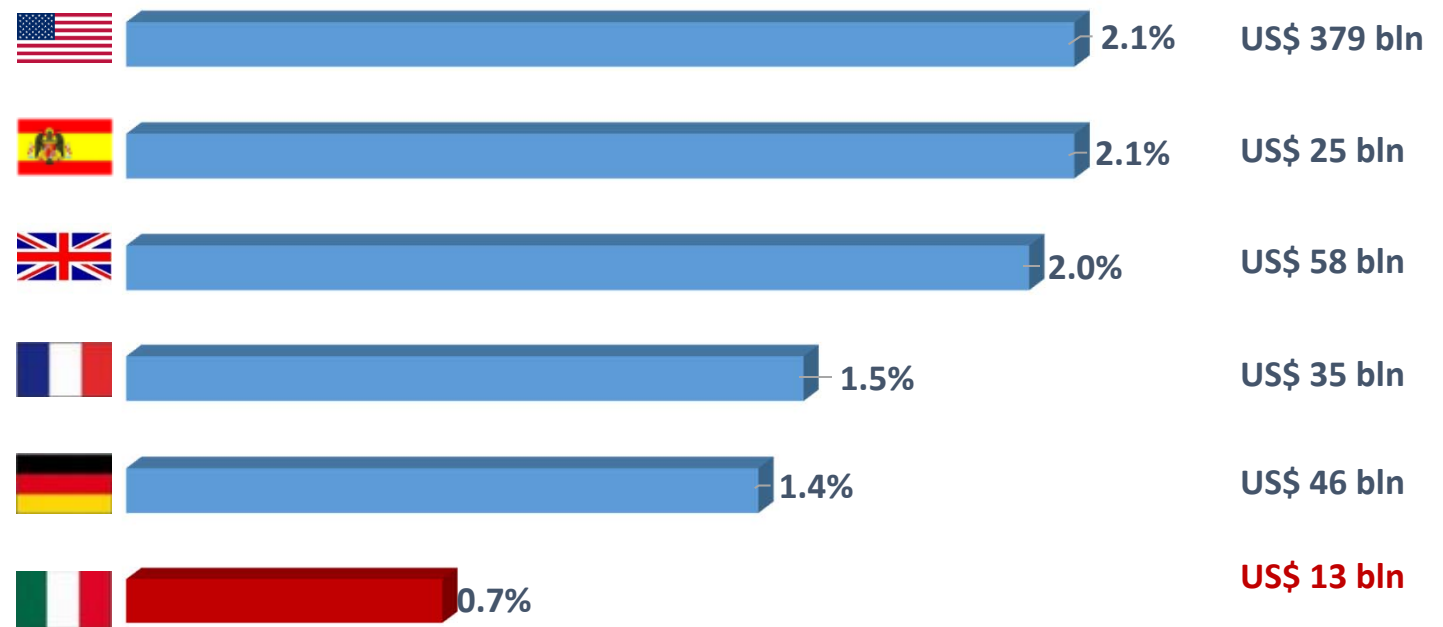


- Entirely owned by Cassa depositi e prestiti, it invests in companies of significant national interest, mainly listed
- Its main objective consists in preserving the stability of shareholding base in the long term
- Cdp Equity and FSI SGR are completely separated

(1) 19,4% in case of adhesion to 100% of the bid of BF Holding on Bonifiche Ferraresi

FSI is the CDP sponsored fund open to SWFs to invest in Italian companies' growth

2015 FDI's, net inflows (% of GDP and current US\$)



Italy's net Foreign Direct Investments are the lowest among the main developed countries

FSI investment objectives

- **Dimensional growth and sector consolidation**
- **International development**
- **Succession of family businesses**
- **Access to financial markets and Initial Public Offerings**

FSI investment perimeter

The Fund will make investments in:

- Italian Industrial and services corporations with at least €100 mln revenues
- The excellent companies of the «*Made in Italy*», showing a significant growth potential through acquisitions and organic growth

The Fund will not invest in:

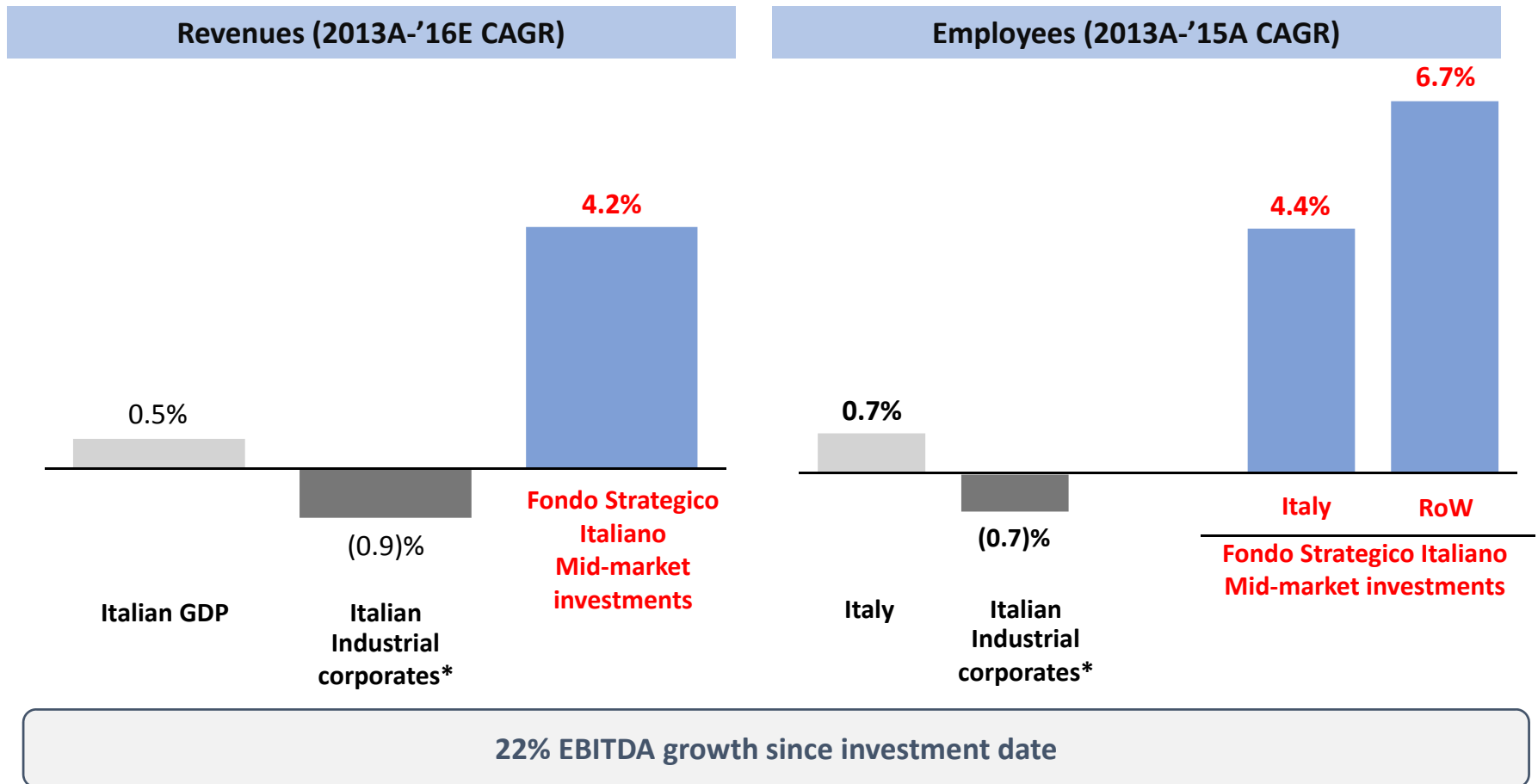
- Distressed corporates and turnaround
- Corporates with high leverage
- Banks and insurance companies
- Greenfield infrastructures
- Hostile transactions

FSI investment formula

- **Partner of family entrepreneurs**
- **Mainly minority investments**
- **Low leverage**
- **Focus on growth**
- **Initial Public Offering as preferred exit**

Portfolio companies growth

FSI distinctive investment formula has resulted in revenues, employees and EBITDA growth higher than Italian industrial corporates average



* Mediobanca "Dati cumulativi 2060 società Italiane"
Sources: companies' financial information, Mediobanca, FSI analysis

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- FSI introduction

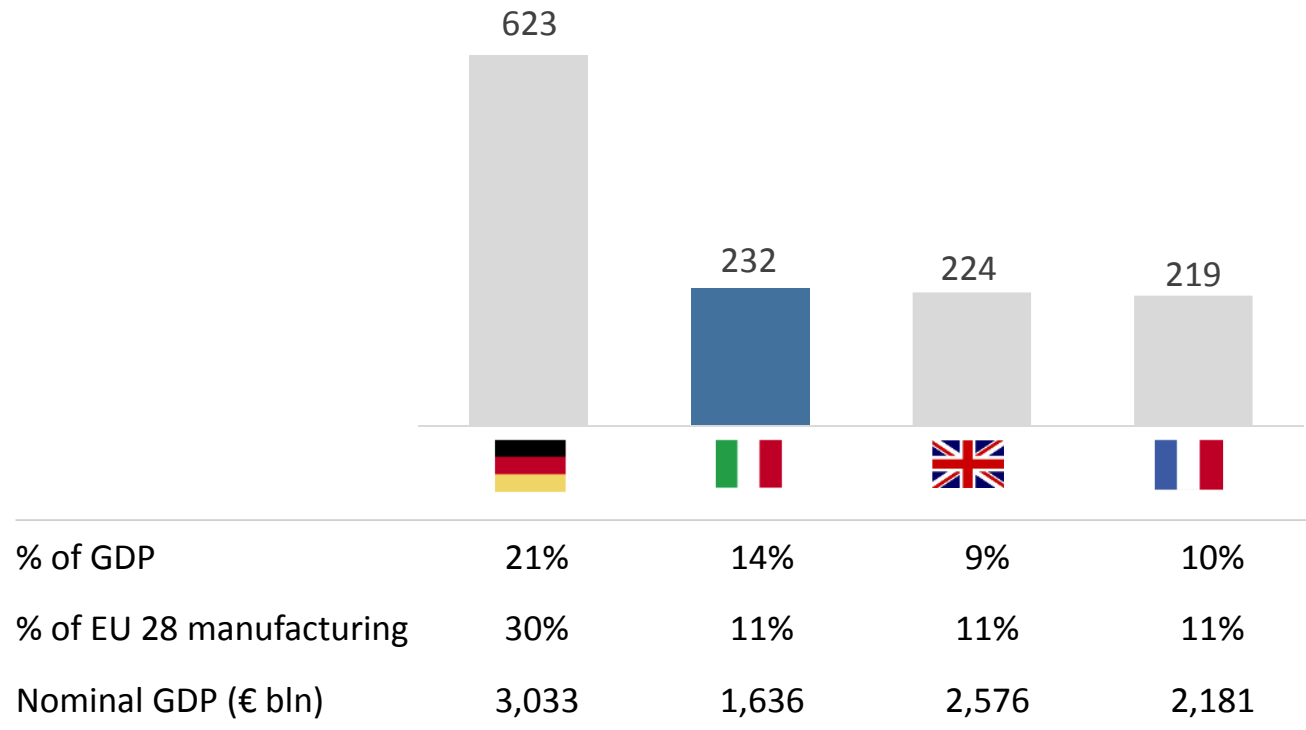
- **The “*Made in Italy*” investment opportunity**

Italian corporates, a compelling investment story

FEATURES	OPPORTUNITIES
2nd largest manufacturing economy in Europe	Drive growth (organically and through acquisitions)
Many businesses are leaders or have the potential to become leaders	Sector consolidation
Large presence of family owned businesses	Shareholding stabilization, re-organization and succession
Undercapitalization and limited recourse to financial markets	Strengthen corporate culture
Underserved private equity market	Lead quality businesses to IPO and access to capital markets

Italy is the 2nd largest manufacturing economy in Europe

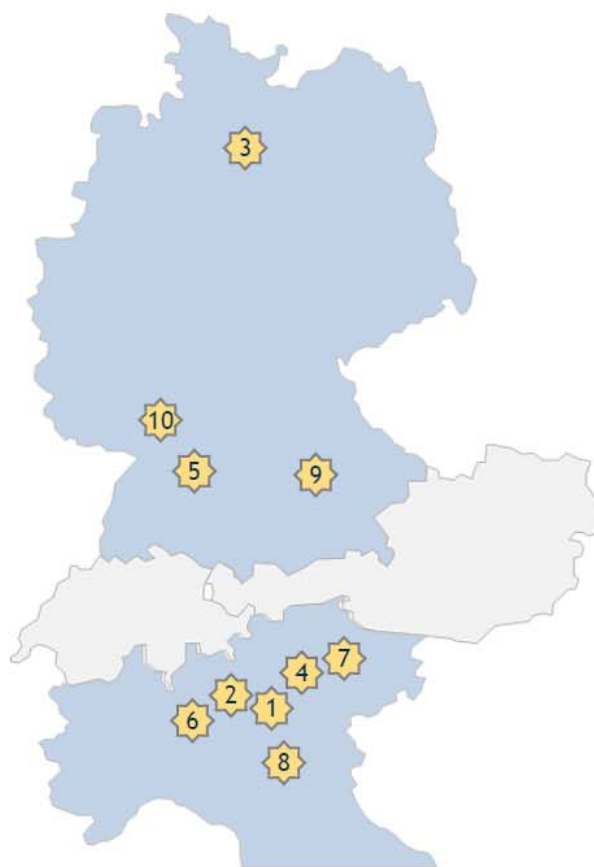
Gross value added of manufacturing sector (2015, € bln)



Source: Eurostat

Italy has six of the ten largest industrial districts in Europe

First 10 largest industrial districts in Europe

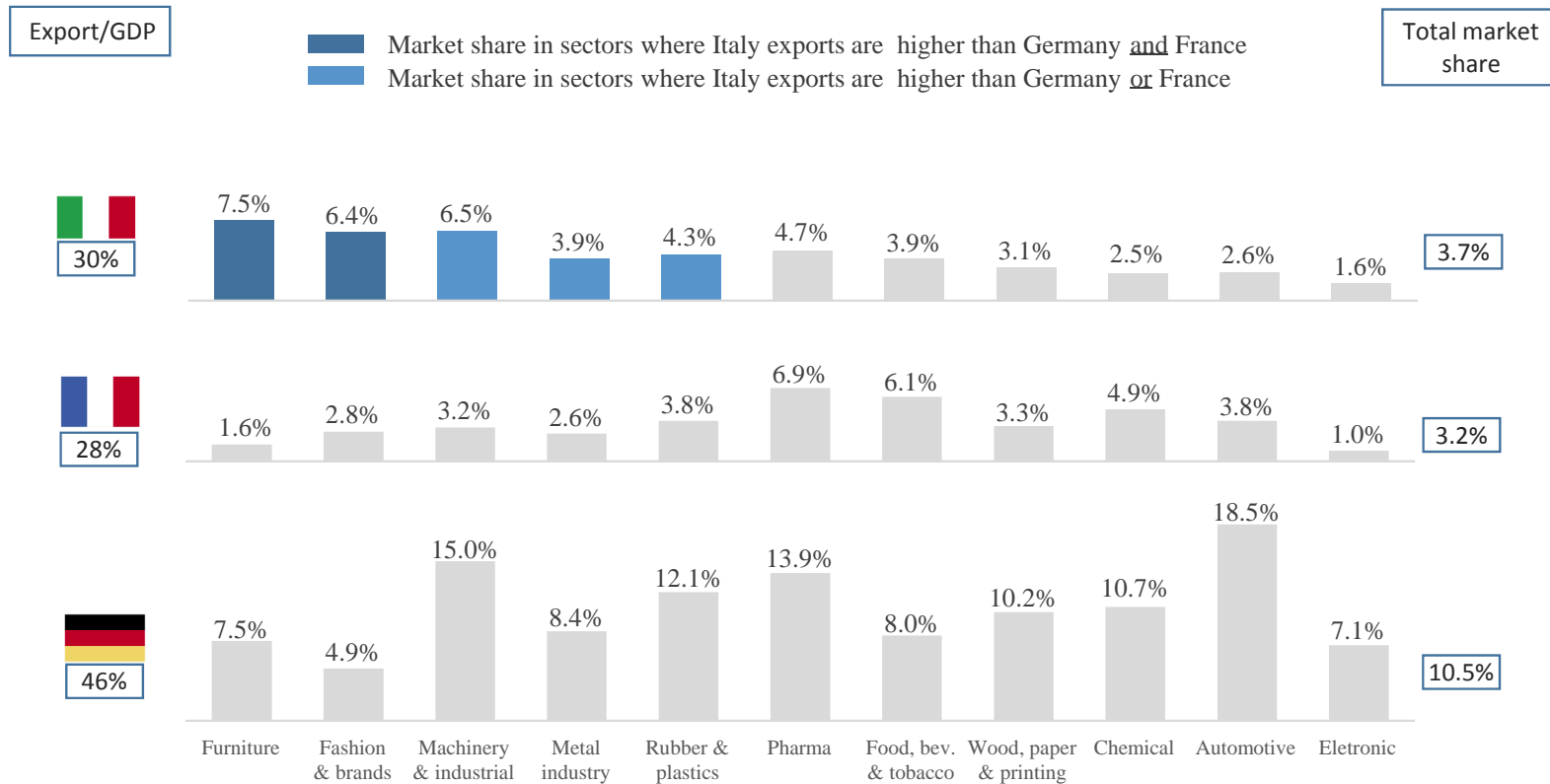


#	Country	Total value added in the industry (€bn)	% of value added of the industry	% of employees who work in the industry
1	Brescia	10,1	30,7%	31,1%
2	Bergamo	9,7	34,1%	34,3%
3	Wolfsburg, Kreisfreie Stadt	8,6	73,2%	47,8%
4	Vicenza	8,6	35,4%	38,3%
5	Boblingen	7,7	50,2%	34,1%
6	Monza e della Brianza	7,5	32,1%	32,6%
7	Treviso	7,2	30,7%	34,0%
8	Modena	7,0	33,7%	34,2%
9	Ingolstadt, Kreisfreie Stadt	7,0	67,6%	38,9%
10	Ludwigshafen am Rhein	6,9	67,9%	37,6%

Source: AIFI Annual Meeting 2015 (Italian PE Association)

Italian corporates are global export leaders
















World export market shares (%)



- Despite smaller in size, Italian companies show a high degree of openness to international trade
- Leaders in many sectors, including non traditional “Italian style” sectors

Many Italian corporates are global niche leaders

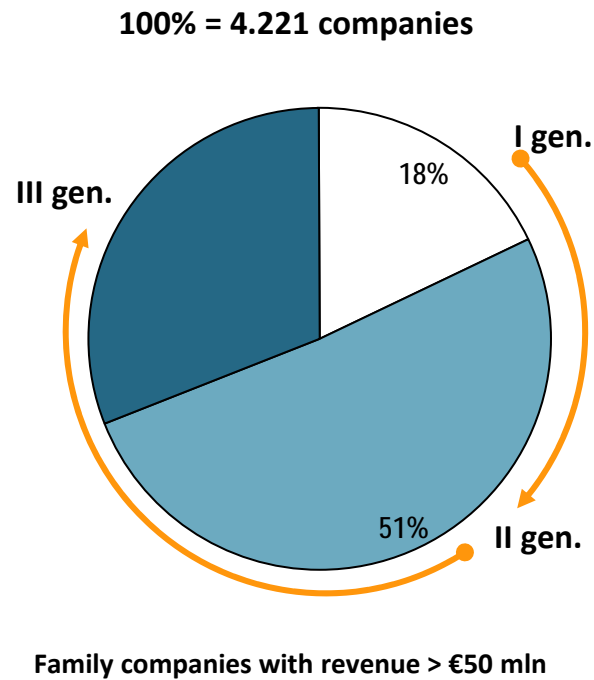
Number of product categories

Ranking	Country	# 1	# 2	# 3	Total
1	 Germania	828	638	521	1.987
2	 Cina	1.108	533	343	1.984
3	 USA	592	579	609	1.780
4	 Italia	288	382	352	1.022
5	 Giappone	230	217	253	700
6	 Francia	139	234	305	678
7	 India	136	163	131	430
8	 UK	95	120	184	399
9	 Indonesia	111	93	89	293
10	 Canada	76	74	101	251
11	 Messico	67	66	101	234
12	 Corea del Sud	53	80	79	212
13	 Turchia	35	63	62	160
14	 Brasile	41	44	45	130
15	 Russia	36	50	41	127

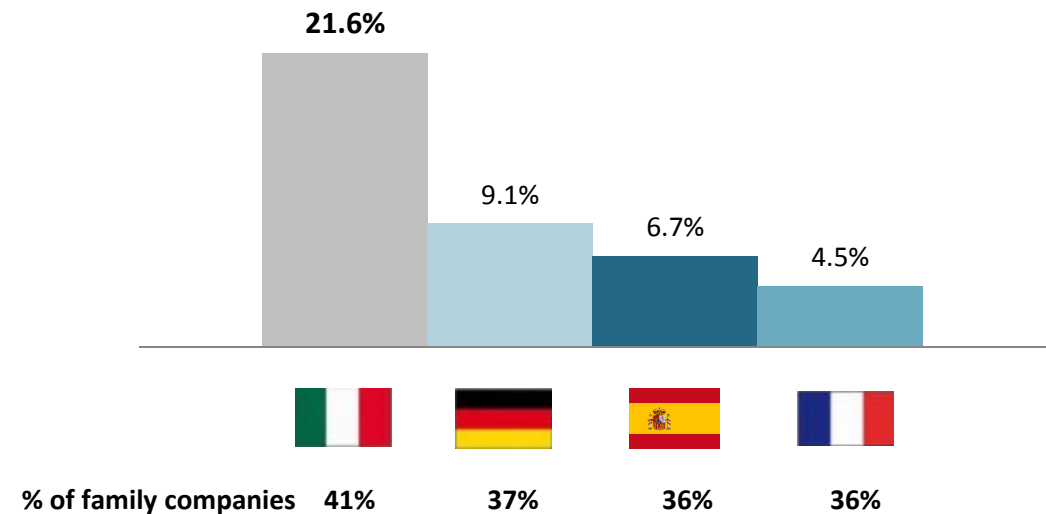
- Italian corporates rank globally among top 3 players in more than 1,000 categories
- Such companies have not reached their optimal size, as they still have a significant potential for growth

Family companies succession represents an investment opportunity

Ownership of Italian family businesses



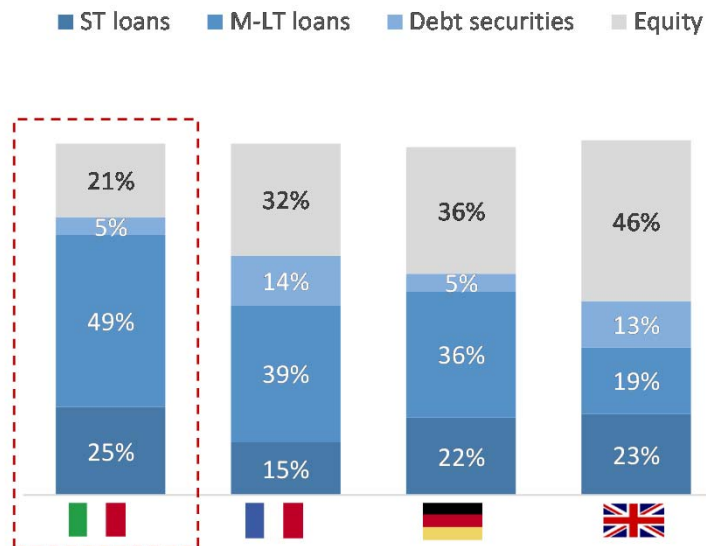
% of entrepreneurs over 65 years old



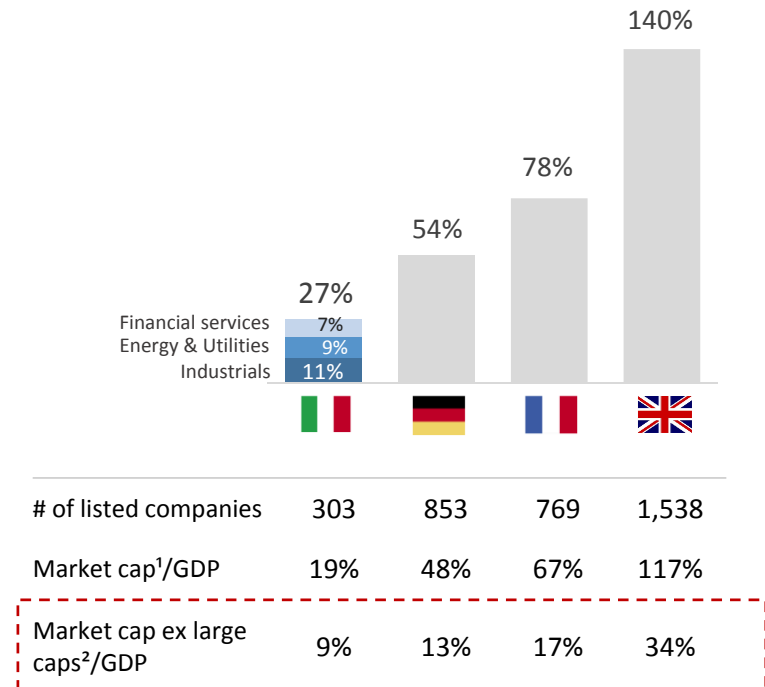
Source: Family business International Monitor, Aidaf, AUB Monitoring agency

Undercapitalization and limited recourse to financial markets

Companies' funding sources in major European economies



Market cap of listed companies as % of GDP



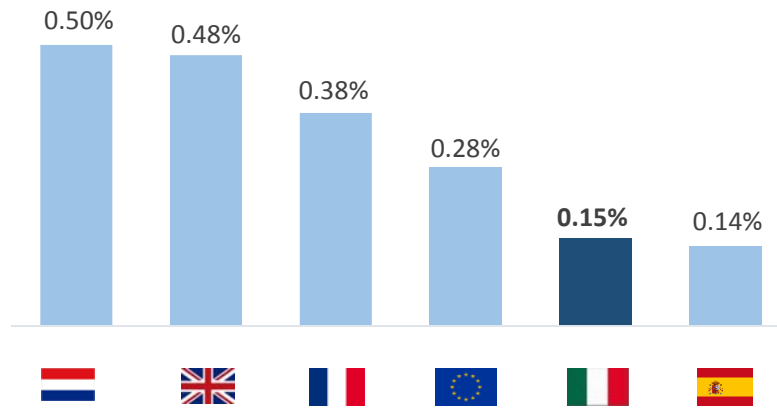
(1) Excluding financials services

(2) Excluding financials services and large caps with market cap > €10 bn

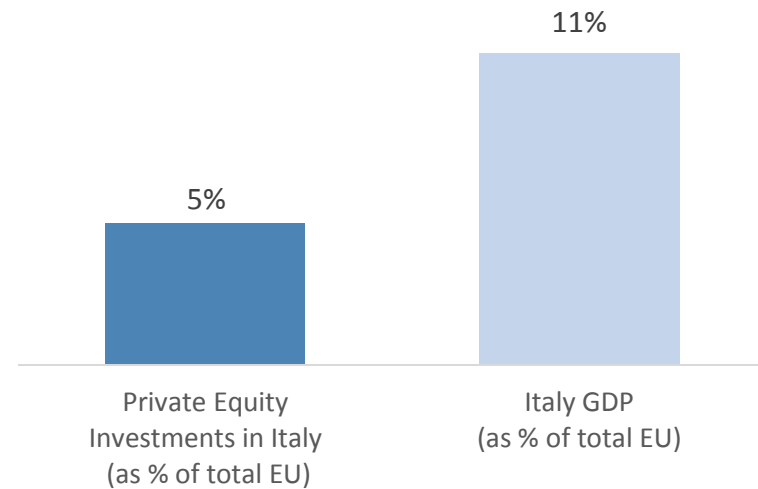
Source: Italian Ministry of the Economic Development 2014, Consob, Borsa Italiana, Bloomberg as of September 2016

An underserved private equity market

Private equity investments / GDP (% , 2015)



Italy share of PE investments vs GDP in the EU (% , 2015)



Source: EVCA

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