

PRESS RELEASE

INDUSTRY 4.0 FUND INVESTS IN THE CIRCULAR ECONOMY THROUGH ITS TWIST ACQUISITION

The Quadrivio Group private equity fund now holds the majority stake in the Italian leader specialized in selling reconditioned electronic devices

Milan, 29 June 2023

Today Industry 4.0 Fund secured a majority stake in Twist, an enterprise specialized in the sale of reconditioned smartphones, tablets and PCs. This is the seventh acquisition for the Quadrivio Group financial vehicle that invests in digital transition and technological innovation for SMEs. Through Twist, the group is now also joining the circular economy.

Based in Cava de' Tirreni, in the province of Salerno, **Twist leads in the sale of reconditioned electronic devices**. The regenerated devices sector has in fact shown significant expansion in recent years – with the European market going beyond the €1 billion mark – and is expected to grow even further in the coming ones, with a predicted 10% CAGR.

The products are bought directly by Twist and placed on sale only once a careful process has been completed, enabling the firm to offer the end user products that are comparable – in performance and features – to new ones but at decidedly more attractive and competitive prices. This process is made up of three stages: *Testing* is the first phase, where a device undergoes more than 30 tests to check its condition; then *Laboratory*, where the product is repaired by a team of highly specialized technicians; and lastly *Grading*, where each model is given a score based on the product's external and internal condition, and this, along with its technical performance, is used to set the end price.

This process fully responds to circular economy dictates, where the aim is to encourage the reuse and recycling of goods without however compromising on quality or efficiency. In order to do this, the company draws on the best technologies and process digitalization, fully embodying the fund's mission and meeting the need – ever more widespread among investors – to constantly foster integration between environmental, social and governance factors and its own investment strategy.

Founded five years ago, the company is a leader in B2B and stands out for its strong propensity to exports, which account for 80% of its turnover. For the last two years it has also been operating in the B2C channel, where its products are sold through third-party online platforms specialized in selling regenerated devices. Currently its sole physical store is in Cava de' Tirreni, where the firm initially set up in business and still has its premises. Today twist employs more than 50 people and is helmed by its two founding partners, Francesco Santucci and Maurizio Santucci, who will stay at the head of the company, also reinvesting in it to a total amount of 40%.

In the year 2022 the firm reached its turnover target of €100 million, with an EBITDA margin of over 5%; roughly 70% of this was from the B2B channel. **22% of the overall volume is generated on the Italian market,** and this is followed, in decreasing order, by the foreign markets of: Estonia, with 18%; Ireland, with 12.6%; Spain, with 8.8%; and France, with 5.4%.

This Quadrivio Group investment aims to make Twist an international leader, one that can expand in both the B2B and B2C channels, backing a click-and-brick approach. Further growth is expected for the next four years, with a 20% CAGR and the goal of reaching the €200 million target. The actions to implement include: strengthening the management team, further investments in IT, and creation of new company premises in Cava de' Tirreni, which will enable an expansion in volumes handled and a training centre for technical and

sales staff so as to attract the best human resources in the area.

Pietro Paparoni, Investment Director at Industry 4.0 Fund, managed the transaction, along with **Maria Iorio, Investment Associate for the fund**, and commented: *"Our Industry 4.0 Fund portfolio is being extended with a firm operating in a swiftly growing sector and one with great potential for development both in Italy and abroad. An enterprise that fully responds to the main ESG requirements and whose business model interprets the unusual features of the circular economy extremely well. The goal we share with the founding partners, who will remain with the company as CEO and Sales Manager, is to extend the range and type of reconditioned products, opening new sales channels. Not only abroad, where Twist has already established its core business, but also in Italy, where there is a quickly expanding interest in the circular economy among end consumers."*

Francesco and Maurizio Santucci, Twist founders and partners, stated: *"We're pleased to have found Quadrivio, which will stand as a partner for developing the company and assisting us during the next stage of growth, so that we can become one of Europe's five leaders in the circular economy, not only achieving significant levels of turnover, but bringing greater managerial expertise and enabling the enterprise to combine a growth in volume with a growth in employment while improving company profits."*

The legal team supervising the transaction for Quadrivio was Studio Legale Pedersoli (Ascanio Cibrario, Luca Rossi Provesi and Edoardo Augusto Bononi). Russo De Rosa Associati dealt with tax issues and structuring the transaction, with a team made up of the partners Alberto Russo and Alessandro Manias and their associate Stefano Gentile.

Financial due diligence was entrusted to Deloitte, who also provided support in preparing the Business Plan and market analysis, with a team led by Francesco Iannamorelli, Enrico Ferraresi and Stefano Maria Santoro. Legal and taxation advisors to Twist were the law firms Pecora Ambrosino (Paolo Pecora) and Alioto De Stasio (Sergio Alioto).

Advisors of Twist: Roberto Imperatrice and Rosalia Sorrentino.

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Quadrivio Group | Industry 4.0 Fund

Quadrivio Group is a company active in alternative investments. The group has been operating in private equity for over 20 years.

Industry 4.0 Fund invests in digitalizing SMEs, supporting them for international growth and in adopting 4.0 technologies. The management team is made up of Alessandro Binello, Walter Ricciotti, Roberto Crapelli and Pietro Paparoni, with assistance from a highly specialized senior advisory board.

As of today, Industry 4.0 Fund has invested in: *F&DE Group*, a leading entity in services to hotel catering (fedegroup.it); *Rototech*, an Italian company that designs and produces plastic parts for the industrial, construction and farming sectors (rototech.it); *Texbond*, one of the main European manufacturers of nonwoven fabrics tailored to the medical and hygiene fields (texbondspa.com); *Soft N.W.*, specialized in producing and distributing nonwovens for the construction and agriculture sectors (softnw.com); and *Ska*, specialized in manufacturing poultry farm systems (skapoultryequipment.com).

Info: quadriviogroup.com | industry4zerofund.com

TWIST

Based in Cava dè Tirreni in the province of Salerno, Twist is a firm specialized in selling reconditioned smartphones, tablets, notebooks, PCs and smartwatches. The products are put on sale once a careful three-stage process has been completed. This means the end user can be offered products that are comparable with new models in terms of performance and features but at decidedly more accessible and competitive prices.

Info: twiston.it