

CASE STUDY

CEME

A global leader in precision fluid control solutions



www.cemegroup.com

CEME is ideally positioned at the forefront of the global coffee growth phenomenon.

CEME Group S.p.A. ("CEME"), founded in Italy in 1974, is a leading global manufacturer of highly engineered precision fluid control solutions (high/low pressure pumps, brass and plastic valves, pressure switches and flow meters) in a diverse range of niche consumer and industrial applications. Investindustrial acquired the Company in December 2017.

CEME is recognised as the worldwide leader for solenoid pumps and a top global player for solenoid valves. Volumes and know-how allow the Company to offer high quality European products, with unmatched reliability and competitive pricing.

The Company is a vertically integrated manufacturer renowned for its technical

engineering know-how, quality, flexibility and for the distinctive ability to develop innovative solutions for customers in Italian and international markets. The Company supplies the majority of its components to either OEMs (who assemble final products for brand owners) or directly to brand owners themselves.

CEME serves 70 countries worldwide through three manufacturing facilities (two in Italy and one in China) as well as two trading companies (in Hong Kong and the U.S.). Headquartered in Trivolzio, Pavia, CEME employs approximately 900 people worldwide.

Strengthening its customer base in core and high growth segments

In the coming years CEME is expected to further expand its customer base in core segments (coffee and steam) and to take advantage of the attractive growth rate forecasted for new high-growth segments, in particular the water treatment market (including water filtration, purification and dispensing systems, infrared faucets and showers), expected to grow at high single-digit rates over the next five years.

Drivers of growth include the increased focus on hygiene, the environmental concerns around bottled water, excessive water consumption and an increasing demand for cheap purified water.

Entering into new and attractive market niches through R&D

CEME's current strategy is to continue strengthening its consolidated position in the coffee market – which represents the backbone of the business. The Company will continue to invest in the development of a number of new and attractive market niches – such as medical and automotive – where the Company can gain market share by leveraging its know-how and value proposition.

R&D is pivotal to successfully develop new components in the niche markets identified, with co-development initiatives potentially securing long-lasting relationships with clients.

Post year end, CEME acquired ODE, an Italian company active in the design and manufacturing of solenoid valves and pumps applied in a variety of applications. This acquisition allows the Company to further expand i) its commercial and industrial leadership following a record 2020 with a double-digit revenue growth and significant global momentum; and ii) its product offering, both due to ODE's exposure to the professional coffee machines and for its strong presence in a number of highly attractive niches such as automation, beverage, vending machines, water management and railway transport. ♦



ROBERTO ZECCHI
CEME CEO

"With Investindustrial's support I am excited to further develop CEME's world-leading position, and also to enter new sub-sectors and geographies to support the growth of the Company both organically and through a programme of acquisitions."

CEME 2020 EBITDA MARGIN

22%

SALES (€m)



CEME APPLICATIONS



Coffee



Beverages



Refrigeration & Air Conditioning



Steam



Medical



Welding



Water Management



Other Industrial