



# SPAFID CONNECT

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Vedi allegato.



## PRESS RELEASE

**NEW BUSINESS PLAN OF THE M&C GROUP APPROVED.**

**THE NEW BUSINESS PLAN ASSUMES THE COMPLETION OF THE DISPOSAL OF THE NORTH-AMERICAN BUSINESS OF TEOFAN, ANNOUNCED ON 9 MARCH 2018, AND THE CONSEQUENT IDENTIFICATION OF THE MORE APPROPRIATE FINANCIAL STRUCTURE.**

**THE KEY DRIVERS OF THE NEW BUSINESS PLAN: SPECIALTY PRODUCTS, COSTS REDUCTION AND STRATEGIC INVESTMENTS IN A COATER AND A METALLIZER.**

**ASSUMING THAT THE DISPOSAL OF THE NORTH-AMERICAN BUSINESS IS COMPLETED AND THE RELEVANT CONSIDERATION IS PAID TO TEOFAN BY THE END OF THE SECOND QUARTER OF 2018, M&C WOULD NO LONGER NEED TO IMPLEMENT THE € 30.5 MILLION CAPITAL INCREASE RESOLVED ON 31 JANUARY 2017.**

**THE MAIN SHAREHOLDERS OF M&C CONFIRMED THAT THEIR RESPECTIVE COMMITMENT, PREVIOUSLY GRANTED WITH RESPECT TO THE CAPITAL INCREASE RESOLVED ON 31 JANUARY 2017, IS TO BE INTENDED VALID ALSO FOR ANY CAPITAL INCREASE THAT MAY BE RESOLVED BY THE BOARD OF DIRECTORS OF M&C UNTIL 31 DECEMBER 2019, UNDER THE DELEGATION GRANTED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING ON 6 SEPTEMBER 2017.**

Today, the Board of Directors of M&C S.p.A. ("**M&C**" or the "**Company**") met under the chair of its Chairman and CEO Giovanni Canetta Roeder.

### **New business plan of the M&C Group**

The Board of Directors has examined and approved the new business plan for the period 2018-2021 (the "**New Plan**") for the Company and its subsidiaries held through Treofan Holdings GmbH ("**Treofan**") and together with M&C, the "**M&C Group**"), which - as indicated in the strategic guidelines approved by the Board of Directors on 21 December 2017 - focuses on the reorganization of the European business to become a more efficient and relatively smaller player to adapt to the dynamics of the market for speciality products, *i.e.* films with a high technological content and developed on the basis of clients' specifications.

The New Plan approved today assumes the completion by Treofan of the disposal of its North American business ("**Treofan Americas**") to CCL Industries, announced on 9 March 2018, and the payment to Treofan of the relevant consideration (the "**Treofan Americas Disposal**").

The completion of the Treofan Americas Disposal is still subject to the satisfaction of certain customary condition precedents (including antitrust clearances) and is expected to occur by the end of the second quarter of 2018; the relevant final consideration to be received is subject to possible post-completion adjustments based on the working capital of Treofan Americas and its net financial position. Part of the cash proceeds from the Treofan Americas Disposal will be used to repay Treofan current financial indebtedness. Following such repayment and on the basis of the actual consideration that will be paid to Treofan, the management of Treofan and the Board of Directors of M&C will identify the most appropriate financial structure for the implementation of the New Plan.

The main objective of the New Plan is that the European business of Treofan returns to a satisfactory profitability, with an EBITDA in line with the positioning of M&C in the bioriented polypropylene (BOPP) films market. The key drivers of the New Plan are:

M&C S.p.A. capitale sociale euro 80.000.000,00 i.v.

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Società soggetta all'attività di direzione e coordinamento di PER S.p.A.

# M&C

- a further focusing of the European business of Treofan in the market for specialty products, that are expected to represent up to 75% of sales for 2021;
- a reduction of the fixed costs; and
- the strategic investments in a Coater and a Metallizer.

## Capital increase

In line with the resolution passed on 21 December 2017, with respect to the capital increase resolved by the extraordinary shareholders' meeting of the Company, held on 31 January 2017, for an aggregate amount of € 30.5 million and currently set to be implemented by the end of June 2018 (the "**2017 Capital Increase**"), the Board of Directors has re-considered the need to implement, given the current circumstances for the M&C Group. In this respect, it has been concluded that, assuming that the Treofan Americas Disposal is completed and the relevant consideration is paid to Treofan by the end of the second quarter of 2018, the M&C Group would no longer need to implement the 2017 Capital Increase.

The Board of Directors will continue to monitor the potential needs of additional equity resources during this year and the beginning of 2019 on the basis of, *inter alia*, (i) the expected completion of the Treofan Americas Disposal; (ii) the final version of the New Plan (that will take into account the consideration that will be actually paid to Treofan) and the identification by the Board of Directors of the most efficient and appropriate financial structure to fund it; and/or (iii) possible needs associated with other alternative strategic options or opportunities of diversification or of growth which may emerge in the future and (iv) the repayment of outstanding debts of the M&C Group.

On such basis, if the Board of Directors concludes that additional equity resources are needed, it may decide to resolve one or more capital increases (any such capital increase, a "**Delegated Capital Increase**") under the delegation granted (pursuant to Article 2443 of the Civil Code) by the extraordinary shareholders' meeting resolution of 6 September 2017.

In this respect, the shareholders PER S.p.A. and Compagnie Financiere La Luxembourgeoise SA (previously committed with respect to the 2017 Capital Increase) have both confirmed to the Company their irrevocable commitment, until the end of 2019, to subscribe and pay any such Delegated Capital Increase up to a total amount of € 25.0 million.

Milan, 21 March 2018

## M&C S.p.A.

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