

INVESTINDUSTRIAL ACQUIRES MAJORITY STAKE IN MORGAN MOTOR COMPANY



5th March 2019 – Investindustrial has today announced the acquisition of a majority stake in Morgan Motor Company Ltd (“Morgan”), the iconic 110-year old British sports cars manufacturer. Terms of the transaction were not disclosed, and it is expected to complete in April 2019. The Morgan family will continue to act as stewards for the brand and retains a minority shareholding. Meanwhile, for the first time in its history, the management team and all employees will have a share of the business. The investment is executed without financial debt, and Morgan will have a positive net cash position upon closing of the transaction. The investment in Morgan is made by a separate fund (with a different strategy) from Investindustrial V L.P. (whose investment subsidiaries hold a stake in Aston Martin Lagonda Global Holdings PLC).

Founded in 1909, Morgan continues to this day to hand-build premium sports cars with a classic design in its historic factory in Malvern, UK, which is visited by more than 30,000 enthusiasts each year. With revenues of £33.8 million and net profit of £3.2 million in 2018, the company sells around 700 cars per year including a portfolio of iconic car designs and a unique 3 Wheeler manufactured using three core elements: ash, aluminium and leather. The Morgan brand is synonymous of quintessential British craftsmanship, elegance, performance and design. Morgan has a loyal and active owners’ community with more than 5,000 members and 50 clubs globally.

As part of the transaction, and as a sign of its long-term faith in the company and the wider British automotive sector, Investindustrial will support Morgan to accelerate new product development, after the launch today of the new Plus Six at the Geneva motor show, the first to adopt the company’s new CX-Generation architecture, increase global distribution and broaden customers’ experience with unique events, enabling Morgan to fulfil its global potential as an iconic maker of hand-built British sports cars. In supporting the company, Investindustrial will leverage its vast experience and track record in the automotive industry, developed through a number of successful investments over the last 30 years, such as Aston Martin and Ducati.

Morgan will continue to focus on its niche classic segment within the automotive sector, with bespoke manufacturing, hand-built products, and the use of ash remaining central to its strategy. Investindustrial will work closely with current management and the wider Morgan family to make sure that future development of the business will be respectful of and remain true to the company's unique heritage.

Dominic Riley, Chairman, Morgan Motor Company, commented: "The past two years have been the most successful in our company's 110-year history. However, to really fulfil Morgan's full potential and secure our long-term future, both the family and management team, felt it was essential to bring in a strategic partner. A partner that shares our vision for Morgan and has the expertise, financial resources and track record of success in the automotive world, to make it happen. That partner is Investindustrial."

Jill Price, Peter Morgan's daughter and longest serving Morgan family Director commented: "Having very carefully considered all options for the future success of Morgan, the family concluded that this new ownership structure and Investindustrial, have the pedigree and resources to secure the long-term future of Morgan. It was important for the family to retain a shareholding, and we are delighted that our loyal management team and workforce will now also have a share in the business going forward."

Andrea C. Bonomi, Investindustrial's Chairman of the Industrial Advisory Board, commented: "Morgan is one of the most famous names in the automotive world. Morgan's handmade British sports cars are true icons of the industry. We have followed the company and seen its progress for some time and see significant potential for Morgan to develop internationally whilst retaining its hand-built heritage, which is at the heart of the Morgan Motor Company. We share with the Morgan family the belief that British engineering and brands are unique and have an important place in the world."

Steve Morris, CEO, Morgan Motor Company, commented: "The future is bright for Morgan. We are coming off the back of two record years. We have an all-new vehicle architecture and powertrain, and have just launched the most dynamically capable Morgan yet, the exciting new Plus Six at the Geneva International Motor Show. Now we have the best possible owner and partner to take the business to the next level and develop Morgan's global potential."

About Investindustrial

Investindustrial is a leading European group of independently managed investment, holding and advisory companies with €6.8 billion of raised fund capital, which provides industrial solutions and capital to mid-market companies in Europe. Its mission is to actively contribute to the development of the companies in which it invests, by creating growth opportunities and offering global solutions through an entrepreneurial pan-European vision. Investindustrial has a history of more than 28 years of successfully partnering with companies in Europe. Certain companies of the Investindustrial group are authorized by, and subject to regulatory supervision of the FCA in the United Kingdom and the CSSF in Luxembourg. Investindustrial's investment companies act independently from each other and each Investindustrial fund.

Additional information is available at www.investindustrial.com.

About Morgan Motor Company

Headquartered in Malvern, UK, Morgan Motor Company manufactures hand-built iconic British sports cars, famous the world over for their unique blend of craft, heritage and pure driving experience. The company was established in 1909 by H.F.S. Morgan with the design of the now iconic Morgan Three Wheeler. It currently has 190 employees. Leading design capability, an extensive array of luxurious materials and the latest drive-train technologies combine to create unparalleled pure driving pleasure. Every Morgan is expertly crafted using three

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core elements: ash, aluminium and leather. Each Morgan is unique, hand-built to the highest standard by passionate craftspeople, who perfect their skill over a lifetime to bring together heritage, innovation and cutting-edge technology.

Additional information is available at www.morgan-motor.co.uk.

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