
ALLEGRO EXITS...



27 July 2016

Allegro Funds Pty Limited (“Allegro”) is pleased to announce that the Australian subsidiary of German multinational Continental AG (“Continental”) has bought all the shares in Vulcanite Holdings Pty Limited (“Vulcanite”) on 1 July 2016. Entities managed by Allegro owned 93% of Vulcanite.

Vulcanite was established in 1946 as a supplier of specialised molded rubber parts for rail owners/operators and rail equipment manufacturers. Vulcanite’s core competence is in rubber engineering/design and its application in vibration dampening in suspension systems for trains. Allegro purchased the business in September 2011 from Chess Industries.

ContiTech, a division of Continental, acquired Vulcanite, complementing their technical elastomer and vibration control products. Claus-Peter Spille, head of ContiTech’s Air Spring Systems said “The acquisition fits perfectly with our company’s strategy and at the same time opens up additional growth potential”. Continental generated sales of €39.2 billion in 2015 and employs more than 212,000 people across 55 countries.

The sale represents a strong return to investors and key management. Despite a severe market downturn in 2014, Allegro’s systematic approach to drive operational improvements led to overall sales growth. Operational improvements were also driven by the successful establishment of the Malaysian manufacturing facilities.

Highlights during Allegro’s investment include:

- Development of a sustainable global brand,
- Establishment of a state of the art manufacturing facility in Malaysia;
- Partnering with three of the world’s four leading railway rolling stock builders and three of the world’s major vibratory piling hammer manufacturers;
- >50% sales growth, driven by significant expansion in global markets; and
- Strong financial returns for shareholders and key management.

Grant Thornton served as financial advisors to Allegro and MinterEllison served as legal advisors to Allegro.

If you have any questions, please do not hesitate to contact us.

Regards,

The Allegro Team

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