



SANTONI SHANGHAI ACQUIRES A LEADING GERMAN KNITTING MACHINERY MAKER TERROT IN MOVE TO CREATE A NEW ECOSYSTEM

The partnership is part of wider efforts to build a new global circular knitting machine industry leader.

Chemnitz, September 13, 2023, Santoni Shanghai Knitting Machinery Co., Ltd., founded and wholly owned by Italy's Lonati family, today announced the strategic acquisition of Terrot GmbH, a leading manufacturer of circular knitting machines based in Chemnitz, Germany. The move comes as the latest development in Santoni Shanghai's long-term vision to build an ecosystem that aims to reshape and consolidate the circular knitting industry. The transaction will be finalized pending approval from Chinese regulatory authorities.



The global circular knitting machine market is expected to see significant growth in the coming years, with a July 2023 report from Consegic Business Intelligence forecasting a 5.7% CAGR from 2023 to 2030, propelled by an increasing consumer preference for breathable and comfortable knitted fabrics as well as increasingly diversification of demand for knitted apparel. To seize this market opportunity, Santoni Shanghai has developed an ambitious strategic plan centered around

innovation, sustainability and digitalization. The new partnership with Terrot aims to further this strategy by enhancing Santoni's integrated and scaled-up ecosystem, while also driving the sustainable development of the global knitting machinery industry.

"The integration of Terrot, which also includes the well-known Pilotelli brand, will bring an immediate and extraordinary boost to our products portfolio," said Gianpietro Belotti, CEO of Santoni Shanghai. "Terrot's incredible technical capabilities, extensive product range and vast experience in serving customers all over the world will enable us to better achieve our shared aspirations. We are very excited about this partnership and look forward to working with Terrot as we move towards establishing a pioneering industry ecosystem, realizing our mission to providing customers with an utterly new knitting experience."

"We see our machines not simply as isolated units of production, but rather as parts of a holistic and integrated ecosystem," Mr. Gianpietro Belotti added. "Each part of this ecosystem is interconnected with the entire industry chain, bolstered by our recent advances in digitalization and our century long expertise. The new synthesis will offer now the largest range of technical solutions available in the market, which we believe will enable us to satisfy the needs of all the investment levels. Through our partnership with Terrot, we are one step closer to fulfilling our vision of innovatively consolidating the entire industry."

"With the strategic investment of Santoni, we aim to strengthen our position as the preferred solution provider to many of the world's leading textile manufacturers and top brands as well as continue working with industry talents as we provide valuable and essential know-how to drive premium 'Made in Germany' textile machinery." said Robert Czajkowski, Managing Director of Terrot GmbH. "We have found a strong, globally active partner with clear dedication to quality, performance and excellent expertise in all circular knitting segments, who understands the unique value proposition and potentials of our portfolio and with whom we can realize our growth objectives" he added.

Terrot GmbH Co-Managing Director Dirk Lange expressed his similar conviction that Santoni was the perfect partner for Terrot's ambitions. "Having defined our strategic growth targets, we are now embarking on the next exciting chapter in our long and successful history, one that includes a 160-year tradition of textile machinery manufacturing." Lange said.

By creating synergies and integrating capabilities in production, sourcing, innovative technologies, sustainability, software and digitization, both parties are confident that future joint projects will present numerous opportunities to serve all of major textile manufacturing centers like China, ASEAN countries, South and Central Asia, Mediterranean Countries and the Americas by unlocking exceptional value for all global textile and apparel players.

ABOUT SANTONI CHINA

Established in 2005, Santoni Shanghai Knitting Machineries Co., Ltd. offers a full range of innovative textile knitting products and solutions to its customers. With two decades of journey, its business expanded with multidimensional organic growth and through acquisitions. Today Santoni Shanghai owns several circular knitting machines brands, particularly JingMei for the large diameter, Hengsheng for the mid and SOOSAN for the small diameter before adding up Terrot and Pilotelli both focused on large diameter production. Fueled by this enormous combination of capabilities Santoni Shanghai aims to take the experience of its customers to a different level with the development of the ecosystem that offers a Knitting Platform for the intelligent manufacturing plant, "Materiallance" a portal connecting designers and makers, an Innovation Lab, C2M solutions like the recently launched "MyKnit" program, and Textile Automation offerings.

<http://www.santoni.cn>

ABOUT TERROT

For over 160 years, Terrot GmbH has been a premium partner to the textile industry worldwide. With its Terrot and Pilotelli product lines, the company is present in 120 countries. The innovative circular knitting machines offer the most flexible

solutions for different customer requirements. The trademark and Unique Selling Points of Terrot GmbH are highly efficient, durable and particularly versatile circular knitting machines with the focus on high-quality products and services. The product range extends from the finest single and double jersey circular knitting machines to highly developed electronic double jacquard machines. Top manufacturers and well-known brands from all over the world produce their knitted fabrics for sports, leisure and fashion industries on Terrot machines. Mattress covers, home and technical textiles, including those for the medical and automotive sectors, are also produced on Terrot circular knitting machines. A network of more than 50 qualified sales agencies guarantees the worldwide contact and professional support of customers, the service of existing machines, the supply of spare parts as well as the commissioning of new machines.

<http://www.terrot.de>

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