

# Legacy turf leader reinvents the industry – and keeps on winning.

## Q&A with Paolo Limonta

Paolo Limonta is CEO of Limonta, a leading Italian group active in fabrics, coatings and interior coverings.

### Tell us about the history of the Limonta Group. We understand it was incorporated in the 19th century as a textile company.

The Company was incorporated in 1893 by my great-grandfather and began life as a bedspread manufacturer. The Brianza district, where our headquarters are still located, was well-known at the time for its fabrics, particularly bedspreads. Under the management of the first generation, the company performed well, though without significant growth. In the 1950s my father and his cousins joined the company. The entry of the third-generation triggered growth and expansion, although the company continued to focus on household fabrics.

The turning point for the business was the introduction of synthetic leather and PVC-coated fabrics during the late 1960s. My father discovered this innovation during trips to the United States and Germany, and Limonta became the first company to introduce coated fabrics in the Italian textile market.



Coated fabrics quickly paved the way for diversification; these fabrics were gradually adapted for other applications, mainly for shoes, bags, and other items in the fashion industry. Continuous innovation has been the key for growth from the 1960s onwards. New materials, such as resin nylon, were launched and well received by the market. In the 1960s

Limonta bet large on fitted carpet, which became increasingly popular over the next 20 years. The production of fitted carpet required a large space that did not fit in our original facility, and pushed Limonta to expand into a new plant nearby. In the early 1980s I joined the Company, beginning in the fitted carpet business. However the market for fitted carpet began a decline in 1985, so we discontinued this line and decided to focus on new business areas.

### How did the company begin to manufacture synthetic turf?

In the mid 1980s, synthetic turf was applied mainly on tennis courts and American football fields. Limonta, after exiting the fitted carpet business, started to look at synthetic turf, foreseeing the opportunity to expand synthetic turf into other sports such as futsal and soccer. Starting in 1986 and for the following 20 years this business had an extraordinary evolution. The product has been the object of continuous innovation and performance improvement. In the 1990s synthetic turfs were applied to indoor football fields in Italy, Spain, Greece, and South America. The original product was not perfectly suitable for soccer but the possibility of entering this promising new market boosted R&D to adapt the turfs to soccer requirements. New yarns were adapted to make synthetic turf perform like natural grass. Achievement of this goal boosted the business up until 2010, when double-digit growth in the market began to slow. Limonta Sport's success factor was to propose complete turnkey solutions to clients, instead of just the synthetic turf. The Company also began international expansion to cover key geographic areas.

### How is technology affecting something as primal as sports grounds?

Limonta Sport's value proposition is based on innovation, quality, and high-standing service. Technology has been the key to exploiting opportunities in new markets. When synthetic turf was first launched, it was intended for tennis and football, which required an elastic ground. Shifting to soccer and futsal required a change in the yarns, as the traditional ones caused carpet burns if a player fell. Technological innovation allowed the creation of new yarns that are perfectly suitable, as demonstrated by the numbers: in Italy there used to be

about 15,000 grass playing fields and today more than half of all fields are in synthetic turf.

### How has the landscape for synthetic turf changed in recent years and what trends do you see ahead?

A recent shift began in 2010 when private equity funds noticed the potential of this industry and began investing in synthetic turf manufacturers. In France, Belgium and Germany, the competitive market, previously populated with several small-medium players, was flooded by larger players, often backed by PE funds. The first turning point was the application of synthetic turf for futsal and the next milestone will be adopting it in professional soccer fields. Although some athletes have reservations about synthetic turfs, they represent a real advantage in terms of maintenance costs. Hybrid turfs – natural & synthetic – are a recent innovation that offer greater strength and durability. The technology is constantly improving.

### Are there other applications for synthetic turf that could further drive market expansion?

When the product was first introduced, the two main applications were sports and decor & playgrounds. New promising markets include urban furnishings and private gardens driven by environmental concerns, which have become more and more important recently.

### Last year Limonta Sport was sold to SLG in a transaction advised by Clairfield. How has the transaction affected the business?



It was a complex but really promising transaction. The two companies have clear synergies on many levels. That is why the shareholders together with management agreed to reinvest in the new holding that controls both Limonta Sport and SLG. SLG is a Belgian company, backed by the private equity fund Chequers, operating in both leisure and sports applications, mainly focused on the European market. Limonta Sport is more focused on sport applications and thanks to its three plants in Italy, China,

and Paraguay, it is able to successfully compete around the world, making it the perfect fit for SLG.

### What are some of Limonta's current projects?

My family divested the majority stake in the synthetic turf business in order to focus on Limonta Group's core business, which remains fabrics for the furniture and fashion industry. In recent years, we have decided to reduce our customer base while acquiring and reinforcing relationships with selected large clients, mainly from the luxury fashion industry. The Limonta strategy is to offer a complete set of fabrics and products suitable for clothing, accessories, and footwear. The main project for the next few years is to grow through acquisitions in niches where we are not yet present that will allow us to provide clients with comprehensive solutions.

### What is your favorite stadium in Europe?

I cannot choose just one! Naturally my favorite stadiums are the ones where matches are played on Limonta Sport fields on hybrid turfs, such as the Santiago Bernabeu (Madrid), the Zenit Arena (Saint Petersburg), and the San Mamès Stadium (Bilbao). Limonta Sport has also equipped the training fields of Milanello and Appiano Gentile where AC Milan and Inter Milan teams train during the week with its synthetic turf. We hope to supply the new Milan stadium too!

### Inter Milan or AC Milan?

AC Milan, of course! I am a loyal supporter even in these difficult circumstances. ■