

TECO acquires Italian company Motovario

Foray Into Industry 4.0 via Development of System Products

In line with the current of industry 4.0, the board of directors of TECO Electric & Machinery Co. approved today (July 31st) to acquire 100% shares of Motovario S.p.A for EUR 186,800,000 (approximately 6.5 billion NT dollars), a strategy extending its operation from standalone products to system products. The board also resolved to step up foray into the European market, so as to augment the company's growth momentum.

Founded in 1965, Motovario S.p.A is based in Italy, produces mainly gear reducers, motors, and other power-transmission products, notably worm gears for which it is a top tier player in the world. The company has highly automated manufacturing facilities in Italy and Spain, as well as 150 sales agents in 60 countries. In 2014, the company also acquired Pujol, an established gear-reducer manufacturer, in Spain, greatly expanding its business scope.

Under the new move, TECO will extend its operation from motors to power transmission system, marking a stride in the company's development roadmap. As such, TECO will not only provide customers complete industrial drive solutions but also tap the huge potential for smart and automated production, heralding its inroad into the realm of industry 4.0.

On one hand, the complete sales network and solid margin of Motovario S.p.A. can facilitate expansion of TECO's operation into Europe; on the other hand, Motovario S.p.A. can extend its reach to Southeast Asia, via

the assistance of TECO's sales network in the region.

In recent years, TECO has been actively deploying in system products for industrial automation by integrating the group's resources. Under the new strategy, the company will offer tailored-made products to customers by combining standalone and system products, thereby enhancing its growth momentum and creating a win-win outcome with customers.

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