

SALVATORE RUGGERI

Salvatore Ruggeri was born in Patti, province of Messina, in 1949.

He is founder, Chairman and CEO as well as majority shareholder of the VALVITALIA GROUP in Rivanazzano (Pavia), established in January 2002.

On 5 November 2009, Giorgio Napolitano, President of the Republic of Italy awarded him prestigious title of Cavaliere del Lavoro, the highest Italian honour conferred in recognition of his great merit as an industry manager.

The Valvitalia Group currently operates worldwide in the design, production, installation and sale of valves, actuators, regulation and metering stations, filters, heat exchangers, odorising units, fittings, flanges and other products used in the oil, gas and energy industry; it employs more than 1000 people and it has a turnover of more than 300 million Euro.

The Group's production activity takes place in its five Italian facilities in Rivanazzano (PV), Brendola (VI), Due Carrare (PD), Castel San Giovanni (PC) and Arena Po (PV) as well as in its two facilities in China and India. The commercial and technical presence of the Group stretches through all the leading worldwide markets (75 countries throughout the world). This presence is guaranteed both by the central sales structure and agents as well as by the sales offices and branches (in Abu Dhabi, Alger, Calgary, Houston, Kuala Lumpur, Lugano, Moscow, New Delhi and Beijing) plus the services centres in Abu Dhabi and Dammam).

The Group's clients include: Contractors, such as Technip, Saipem, M.W. Kellogg, Maire Tecnimont, Techint and Foster Wheeler; end users, such as Shell, ENI, ENEL, Exxon Mobil, ERG and Total and distributors or traders.

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Italy has the highest number of valve manufacturers in the world and enjoys an excellent reputation in the sector, particularly for the design and manufacture of special valves. However, the production network is fragmented and features many small and medium manufacturers that find it difficult to compete globally. The project set up by Salvatore Ruggeri was to exploit Italian know-how, experience and production quality by grouping together and organising a number of manufacturers in a single company endowed with management skills as well as having access to credit and possessing an adequate trans-national sales structure able to offer its clientele complete packages of complementary products and whose size meant it could create economies of scale, particularly in provisioning.

In October 2001, when he was 52 years old, Salvatore Ruggeri, Chairman and CEO of Dresser Flow Control left the company after working there for 32 years because he disagreed with the new owners' strategic and operative lines. The next year he founded the VALVITALIA GROUP, whose stages can be summarised as follows:

2002

3 January 2002, Salvatore and Massimiliano Ruggeri (his oldest son born in 1974) founded ITAVAL SRL, with registered office in Voghera and corporate capital of 10,000 euro. A few months later, ITAVAL acquired the former Morando Coremu industrial complex in Rivanazzano, current Group Headquarters from the Court of Voghera, and started up valve production.

During its first year in business, Ruggeri made a series of acquisitions:

In April 2002, he bought the trademark, design drawings and know-how from Rotor V.S., a company that had been manufacturing ball and plug valves since 1967.

In June, he acquired Delta Valves Europe S.r.l., a valve manufacturer, thereby achieving the dual goal of bringing more human resources with trade experience into the company and owning the trademark.

In the same month he established Valvitalia USA Inc. through which he acquired the company branch manufacturing gate valves from American company, Diversified Energy Products Inc. This production activity was then moved to Altavilla Vicentina (VC) in Italy.

In July he acquired BFE Spa, a company branch that manufactured gate, globe and check valves. This transaction gave Valvitalia ownership of the “Vitas” trademark, which existed since 1964 and to have use of a production and sales structure as well as experienced personnel.

In August 2002, it continued expanding by acquiring Tormene Gas Technology S.p.A. (“TGT”), a company dating back to 1907 and present in the ball valves and systems sector with the long-standing “Tormene” brand.

During that same month, he purchased the “Vanadour”, “Thevignot”, “Sealmatic” and “Dyna-Lok” trademarks, drawings and know-how for the production of plug and butterfly valves from KTC Fluid Control S.A.. In the meantime the share capital was increased to 11,000,000 Euro.

2003

During the 2003 financial year, Salvatore Ruggeri focused on integrating and consolidating the companies acquired and on developing the production and sale of the products. With this in mind, the facility in Houston (Texas - USA) was closed and its activities were moved to Italy, where the production of cryogenic, subsea and deepwater valves was started up in the plants in Rivanazzano (PV) and Due Carrare (PD) with the aim of grasping new market opportunities by manufacturing products with more advanced technological content and higher added value.

2004

In November 2004, he acquired E.P.V. Engineering Production Valves S.r.l., which specialised in manufacturing small and medium size industrial plug valves in the plant situated in Cambiago (MI), again expanding the product range.

2005

In January 2005, it acquired Tecnoforge S.p.A., from the Carlyle foundation; this company manufactured fittings and had two facilities in Castel San Giovanni (PC) and in Arena Po (PV) .

The acquisition of Tecnoforge made it possible to enter the fittings market segment and to expand its range of products, thus responding to the demands of market operators to concentrate their orders with a single supplier (so-called “One Stop Shop”). This acquisition also had the added benefit of important business partnerships determined by the common clientele and geographic areas that could be covered and manufacturing synergies provided by the possibility of pursuing economies of scale in the purchase of raw materials, semi-finished products and finished products and to make use of the larger manufacturing spaces of Tecnoforge. In the meantime, the share capital increased to 22,000,000 Euro.

2006

During the 2006 financial year, the activities carried out in the leased facility in Altavilla Vicentina (VI) were moved to a new, owned factory situated in Brendola (VC).

In July 2006, Ruggeri established Valvitalia (Suzhou) Valves Co. Ltd., a Chinese company fully owned by the Group, in order to manufacture standard valves in the Wujang plant, mainly for use in the downstream segment, pursuing the strategy of ongoing expansion of the offer in terms of “One Stop Shop” and to improve competitiveness of the group products.

2007

In 2007, an acquisition and merger was carried out with Hydros S.r.l., which manufactured and sold hydraulic and pneumatic power units used in valve automation, with a factory situated in Pavia.

The sales office in Beijing, China was opened the same year.

2008

In 2008, Salvatore Ruggeri gave new impetus to internationalising the group by establishing: Valvitalia International SA with headquarters in Lugano, Switzerland; Valvitalia India Private Limited with registered office in Coimbatore, India; Valvitalia USA Inc. with headquarters in Houston, Texas; Arab Italian Valve manufacturing Company in Dammam, Saudi Arabia.

2009

In 2009, the internal organisation and consolidation pathway continued with the merger of all the Italian companies, and the internationalisation direction continued through the establishment of Valvitalia Algerie EURL with headquarters in Alger, Algeria and of Valvitalia Emirates Llc, joint venture with the local partner in Abu Dhabi, UAE, and the opening of sales offices in Moscow (Russia), New Delhi (India), Kuala Lumpur (Malaysia) and Calgary (Canada).

2010

In 2010 Valvitalia Group continues its growth with the acquisition of Broady Flow Control. The Company, based in the United Kingdom, has, for more than 100 years, been a manufacturer of Safety Relief Valves for Oil, Gas and Power Industry as well as specialist valves for the Defense Industry. Furthermore, Broady operates an Aluminium Bronze foundry producing high integrity castings to the exacting standards of the Global Defense Sector. In this way, the Group product offering grows further and even the synergies become stronger, thanks also to the internal forging in the Broady Division. In November 2010, Mr. Salvatore Ruggeri receives his Honoris Causa Degree in Economics and Managements from the University of Pavia one of the most prestigious and ancient University in Italy.

2011

Two more grand openings characterize this important year for the Group: Valvitalia Canada Ltd and Tecnoforge Flanges Division. The Valvitalia plant in Edmonton, Canada, manufactures actuators to serve North and South America strengthening the global presence of Valvitalia whilst the Flanges Division in Tecnoforge reinforces the product portfolio more and more. Valvitalia continue to receive major Project awards for their products and their next step is to open facilities both in Brasil and in Russia. Valvitalia products are installed in 83 countries in the world and the Group has more than 1000 employees.

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The first thirty-two years of Salvatore Ruggeri's working life were also very intense and highly successful in the management and business field, as shown below.

As stated, Salvatore Ruggeri was born in Patti, Messina, in 1949 and grew up in Patti.

He gained his high school diploma in Accounting from the F. Borghese State Technical and Commercial Institute in Patti in 1969.

He enrolled in the Commerce faculty of the University of Messina, but was forced to leave because his family was in financial straits and because it was impossible to reconcile work and study.

1969: His early years in WAGI

In 1969, he began working with WAGI Italia, a subsidiary of the American International Utilities group in the industrial accounting area. In a few years he took responsibility as Controller and Vice President Finance of Grove Italia, a new group owned by WAGI Italia, with headquarters and head office in Rome and with considerable investments in the new segment of ball valves in Voghera, in the Province of Pavia.

From 1976, the controlling share of the Grove Italia group was held by Nova Corporation in Calgary Canada, with Finmeccanica (IRI group) a minority shareholder of one-third of the capital. These were years of great cultural and professional growth, also thanks to the intense relationship with Anglo-Saxon executives and the adoption of advanced management and organisational models for that time.

1979: the move from Rome to Voghera

In Spring 1979, after the approval of an extremely ambitious strategic plan, it was necessary to move the Grove Italia group headquarters and head office from Rome to Voghera. The reason for this decision lay in the need to consolidate registered office, head office, research and development activities and production in order to streamline management efficiency and, in particular the prompt execution of contracts with increasing technical and contractual complexity. The goal of moving management – and their families – to Voghera was organised and completed by Salvatore Ruggeri in a few days. The episode, a true exodus was an example of mobility conceived, engineered and carried out according to a mutual goal of the management team, even at the cost of exposing their families to a change of residence.

As testimony of the role of the Grove company, the Voghera City Council decided to erect a monument to testify to the activity carried out; that monument is still in fine view in the centre of Voghera and symbolically represents the spirit of initiative and projection into the world.

1980: the new industrial initiative: Ledeen Italia

The establishment of Grove Italia in international markets brought new challenges and great opportunities. During 1980, the Group became aware of the strategic risk represented by the growing weight taken on by suppliers of actuators (i.e. motors to start the valves), all outsourced and therefore a new industrial initiative called Ledeen Italia S.p.A. was established in the Municipality of Voghera. The intuition behind the establishment of Ledeen Italia was extremely far-sighted and became one of the underlying factors behind the competitiveness and ongoing expansion of the Grove Group on a worldwide scale.

The founding partners were Luigi Fiore and Salvatore Ruggeri.

1986: the move to the United States

In June of that same year, he became Vice President Finance with Grove Valve & Regulator Co. in San Francisco, California.

Originally a licensee of Grove Italia, during 1985 Grove Valve & Regulator Co. was acquired by Grove Italia following a real overturn of the corporate relations ordered by the Canadian shareholder to improve performance of the American company. In just over a year, thanks to the decisive input by Salvatore Ruggeri, Grove Valve & Regulator Co. completed a strong recovery of efficiency with consequent positive effects in terms of turnover and profit.

1987: the return to Italy

On his return from the United States in September 1987, Salvatore was named General Manager of Grove S.p.A. In his new position he implemented a courageous global expansion strategy for the Grove Group activities, with the unconditional backing of the shareholder, the Chairman and CEO Luigi Fiore and the whole management team.

In three years, the Group grew very noticeably in terms of volume and profit, gaining a position at the top of the Italian metal and mechanical working sector and becoming a benchmark in the industrial valve sector on worldwide scale.

1990: the Leveraged Buy-out

The international projection of the Group and the ongoing, brilliant economic and financial performance did not go unobserved by the Italian and American business community. In 1990, the Canadian shareholder decided to sell off shares to capitalise, at least partly, the increase in value of the Grove group realised at the end of the decade. It was a highly delicate and very uncertain moment because the shareholder could have sold shares to some competitor, American in particular, putting an end to Grove. Ruggeri understood the danger and with the total agreement of the whole Grove management, he convinces the Canadian shareholder to assess the terms of a possible “leveraged buy-out”, being able to count on the unconditional support of financial institutions such as San Paolo Finance and ARCA Merchant.

In his view, the transaction was simply the first step in acquiring control of the Grove group, an event that would occur when San Paolo Finance and ARCA Merchant no longer held shares. The “leveraged buy-out” project was approved by Nova Corporation that stayed on with a minority share of the capital and the financial institutions concerned confirmed their willingness to enter the transaction by taking over a little less than two-thirds of the capital. The management was reserved just on 10% of the capital share. The transaction was rapidly finalised to the complete satisfaction of all parties.

Notwithstanding his unrelenting professional commitments, in the same year, Ruggeri found the way and the time to attend the “Business Strategy” course for Senior Executives, organised by the “Luigi Bocconi” University in Milan.

1993: the Management Buy-out

In the following two years, the development strategy of the Group continued to translate into increased volumes, profit and market shares, whetting the appetites, which had never been completely assuaged of one of the main competitors of the Grove group, the American Cooper Cameron. In early 1993, attracted by a definitely interesting offer, Nova Corporation and the Italian financial partners initiated very tight negotiations with Cooper Cameron. But when it was time to sign the preliminary agreements,

Ruggeri and the Grove management did not accept becoming prey to their most fearful competitor, stating that they would leave the Group they had so passionately helped to create.

The stance adopted by the management must have been extraordinarily eloquent because in a twenty-four hour period, Nova, San Paolo Finance and Arca Merchant confirmed that they had suspended negotiations with Cooper Cameron and encouraged the management to make a buy-out offer for the group by the following week. This took place, thanks to the unconditional faith in Salvatore Ruggeri and the Grove management granted by the executive management of Banca Commerciale Italiana.

The management proposal, guaranteed by the Banca Commerciale, was a “management buy-out” transaction without precedent in the Italian panorama, and it gave the management control of the Group with the acquisition of 55% of the share capital. The transaction was fine-tuned during June. The new ownership shareholders included the management, Fincomit, merchant bank of the Comit group and Euroknights, a fund linked to FINEUROPE, holding 35% and 10% of the share capital respectively. This transaction had a resounding resonance and propelled enterprising, qualified managers who until then had been mainly appreciated in industrial areas tied to the Oil & Gas sectors to the forefront of the Italian financial markets.

1995: the sell-out of the Group to Dresser Industries

Another two years of successes and the professional standing of Ruggeri and his team, now fully-fledged businessmen, continued to grow and the shares of the Grove group also continued to rise, becoming more and more of a benchmark for all Italian and international competition to copy. At that time, many partnerships offers, proposals for joint ventures and acquisition pitches came from European and American industrial investors.

Still, these contacts stimulated debate inside the team on the strategic options for the future of the Group and a number of scenarios were considered, one of them being a stock exchange listing.

A few months went by and the debate on the future of the Group was revived, also in light of a market trend that favoured globalisation, delocalisation and consolidation of production activities in all industrial sectors, not excluding our own.

In January 1995, Dresser declared a strong interest in buying out the Grove Group. Ruggeri entered final negotiations on one condition: that Dresser agree to consolidate all its activities in the upstream valve sector in a new Division put in the hands of the Grove management. . Both requests were accepted wholeheartedly with the following motivation: Dresser was mainly interested in acquiring the skills of the management team and the Grove management model; in the second place, it was just as strongly interested in positioning the new Valve Division as sector leader on the worldwide level. On the basis of these premises, the acquisition transaction was concluded in June 1995.

So, control of the Grove group changed hands, but the management remained to supervise and develop a source of technology, know-how, infrastructures and human resources without compare in that sector. When he was only 44 years old, Ruggeri was the head of a Division composed of nine production units located in Italy, the United Kingdom and the USA, with 1200 employees and a turnover of more than 300 million dollars. As “President” of the Dresser Energy Valve Division, Salvatore was co-opted as a permanent member of the Executive Committee of Dresser Industries. It was extremely rare, if not unique for an Italian manager who had risen to the leadership position of a strategic division in a large American group to exercise that role from Italy, with the support of a prevalently Italian management team, in activities located not only in Europe but also in North America and run by American management.

1998: the establishment of Dresser Valve Division

In September 1998, Dresser Industries entered into a merger agreement with the mega Halliburton, a services company leader in offshore exploration and production of hydrocarbons, headed by Dick Cheney. After the merger in the following December, Salvatore was asked to take on the responsibility of integrating the Dresser activities in the control and safety valve sector that had belonged to another Division into the Division he ran. This led to the creation of the Dresser Valve Division, equipped with 27 production units, 50 peripheral sales offices, 110 authorised after-sales centres, a turnover of more than 600 million dollars and over 3000 employees.

In less than a year, a huge reorganisation and integration plan for the activities conferred to the new Division was implemented, with extremely positive effects on the competitiveness of the single production lines and, above all, four new acquisitions – two in the United States, one in Canada and one in Japan, to complete as soon as possible.

The four acquisitions were successfully completed in the following two years, further reinforcing the technology and infrastructural capital of the Dresser Valve Division.

2000

In April 2000, Halliburton announced its intention to sell off the manufacturing activities of the Dresser group, which had already been the object of spin off immediately after the merger. As leader of the divestiture team of the Dresser Valve Division, Ruggeri was the person behind the operation coordinated by Morgan Stanley Dean Bitter on behalf of Halliburton.

The divestiture process ended during April 2001, one year after Halliburton announced its decision for the divestiture.

A new Company called Dresser, Inc. was incorporated, with headquarters in Dallas, Texas, and structured into three Business Units, one of which, Dresser Flow Control, with head office in Voghera (the only one outside the USA), was put in the hands of Ruggeri. The principal new shareholders were First Reserve Corporation and Odyssey Investment Partners, both investment funds with headquarters in the USA. The new shareholders announced their enthusiasm for the acquisition and above all declared their appreciation for the international value of the Business Unit headed by Ruggeri.

At the end of another growth process, Ruggeri was managing a business to the order of 700 million dollars, with 33 production units and services centres located in every strategic region in the world, a sales infrastructure including 50 sales offices, 114 authorised after-sales centres, 3300 employees and an extensive commercial penetration that at the time was in 120 countries.

In October 2001 Salvatore Ruggeri left Dresser Flow Control to set up the VALVITALIA GROUP.