

**Intelligence: Results**

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<p>01/10/2012</p> <p><b>Story</b></p>	<p><b>Kinexia seeks waste-to-energy and asbestos processing buys; CEO confirms relaunch of sale process for PE stake in Waste Italia</b></p> <p><small>Proprietary Intelligence</small></p> <p><i>[9th paragraph was updated 8/10/2012 to show Waste Italia's 2011 revenue was EUR 95m and its EBITDA was more than EUR 36m.]</i></p> <p>Italian renewable energy group <b>Kinexia</b> (KNX:MIL), wants to make acquisitions in the waste-to-energy and asbestos processing sectors, Chief Executive Officer and major shareholder Pietro Colucci said.</p> <p>Colucci also confirmed that talks to sell a 32.7% stake in <b>Waste Italia</b> held by PE backer Synergo will be revived in August 2013, as previously reported by this news service. Waste Italia is controlled by Colucci via <b>Sostenya</b>, a holding company in which he owns a 63.7% stake. The remaining shares are held by CEO Giuseppe Maria Chirico (3.6%). Rothschild and Mediobanca, which were previously hired to identify potential bidders for Synergo's stake, could be given a new mandate in 2013, he said.</p> <p>Kinexia plans to make acquisitions in 2013 and welcomes approaches about targets in Italy, Colucci told this service on the sidelines of the IR Top event in Lugano. No target size was disclosed. He added that Kinexia is advised by Rome-based firm Envent, and by legal advisors Studio Chiomenti and by Roberto Cappelli at Gianni, Origoni, Grippo, Cappelli &amp; Partners for M&amp;A.</p> <p>In addition to acquisitions, Kinexia is looking for strategic and financial partners to forge joint ventures (JV) in China, Turkey, Maghreb and former Soviet countries, Colucci said. Partnerships will focus on the renewable energy and environmental services sectors, he said. However, in China Kinexia will focus only on environmental services, as the country's renewable-energy market is already saturated with local players.</p> <p>The company is holding preliminary talks with funds for environmental services partnerships in China and Maghreb, as well as with industry players eager to forge new entities in Italy and China, he said.</p> <p>Kinexia is focusing on both organic and acquisitive growth in the Italian waste-to-energy and asbestos processing sectors, he said. A third area of activity in environmental services is biogas, where it does not plan acquisitions, Colucci said. Nor is it seeking targets in the photovoltaic (PV) sector, because prices are too high, he said. "With EUR 10m you can buy a 1MW worth in PV energy production, while you could acquire a whole environmental services business with a similar amount," he said.</p> <p>Besides Waste Italia, Colucci holds about 40% of Kinexia via Sostenya. His brother, Francesco Colucci, controls another 7% stake in Kinexia via investment vehicle <b>Unendo</b>.</p> <p>In October 2011, Synergo turned down offers from 21 Investimenti and Hutton Collins that failed to meet expectations, as previously reported. Synergo wanted EUR 90m for its stake, valuing the whole business at EUR 350m. 21 investimenti and Hutton Collins offered about EUR 70m, valuing the business at about EUR 200m, as reported.</p> <p>Waste Italia reported around EUR 95m turnover with EBITDA exceeding EUR 36m for 2011, according to a press release earlier this year.</p> <p>Kinexia generated revenues of EUR 89m in 2011 with a 57% EBITDA increase to EUR 15.6m in 2011 from EUR 9.9m in 2010. Its market cap stands at EUR 17.28m.</p> <p>by Davide Schiappapietra in Lugano</p>	<p><b>Bidder</b> Kinexia SpA <span style="float: right;">TSI DS</span></p> <p><b>Lawyer</b> Chiomenti Studio Legale</p> <p><b>Financial advisor</b> EnVent S.p.A.</p> <p><b>Lawyer</b> Gianni, Origoni, Grippo, Cappelli &amp; Partners</p> <p><b>Other</b> Unendo</p> <p><b>Other</b> Sostenya</p> <p><b>Target</b> Gruppo Waste Italia <span style="float: right;">PEP DS</span></p> <p><b>Bidder</b> 21 Partners S.p.A. <span style="float: right;">DS</span></p> <p><b>Bidder</b> Hutton Collins Partners LLP <span style="float: right;">DS</span></p> <p><b>Vendor</b> Synergo SGR S.p.A. <span style="float: right;">PEP DS</span></p> <p><b>Vendor</b> Sostenya <span style="float: right;">DS</span></p> <p><b>Previous Financial advisor</b> Mediobanca SpA <span style="float: right;">TS</span></p> <p><b>Previous Financial advisor</b> Rothschild</p> <p><b>Sectors</b> Energy</p> <p><b>SubSectors</b> Electrical power generation Alternative energy</p> <p><b>Topics</b> Advisory Appointment Advisory Invitation (Bankers, Other) Asset Sales (Corporate Disposals) Family Owned/Closely Held Joint Ventures/Partnerships</p> <p><b>Intel Type</b> Bolt on/Oppportunistic Companies for sale Cross Border Other Private equity related</p> <p><b>Countries</b> Algeria China Italy Morocco Russia Tunisia Turkey Ukraine</p> <p><b>Intel. Grade</b> Confirmed</p> <p><b>Intelligence ID</b> 1449873</p>
<p><b>Source</b> Proprietary Intelligence</p> <p><b>Value</b> EUR 89m (Kinexia's turnover)</p> <p><b>Stake Value</b> more than 30% inclusive</p>		

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