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<input type="checkbox"/>	14/05/2013	Kinexia CEO eyes add-on buys; Waste Italia merger fizzles - source Proprietary Intelligence	Bidder Kinexia SpA Previous Financial advisor EnVent S.p.A. Previous Financial advisor Rothschild Other Faeco SpA Other Pietro Colucci Other Sostenya Other Innovatec Srl Target Gruppo Waste Italia PEP DS Bidder Kinexia SpA TS DS Vendor Synergo SGR S.p.A. PEP DS Lawyer Studio Legale Pavesi Gitti Verzoni Financial advisor Vitale & Associati Spa Vendor Pietro Colucci DS
Story	<p>Kinexia [KNX:MIL], an Italian renewable energy group, is considering add-on targets specializing in liquid waste treatment among key growth areas in the environmental space, CEO Pietro Colucci said.</p> <p>Acquisitions will be instrumental in enhancing Kinexia's supply chain -- upstream and downstream -- in the next two years, Colucci said on the sidelines of the annual VedoGreen event in Milan. Attractive targets include companies holding a strong distribution network, with deals likely to be clinched between 2013 and 2015, he said.</p> <p>Kinexia has already kicked off sector consolidation, with the purchase of Italian waste treatment firm Faeco in December 2012. A smaller buy followed in March 2013 when Kinexia secured control of Innovatec, focused on energy efficiency and building and home automation.</p> <p>In early 2013, Kinexia pursued a merger with Waste Italia, an Italian waste management company which has long been on its radar, as reported. Waste Italia is also controlled by Colucci via Sostenya, a holding company in which the CEO owns a 63.7% stake. Around 33% of Waste Italia's shares are held by private equity fund Synergo.</p> <p>Merger talks between Kinexia and Waste Italia were called off in March, with PE backer Synergo opposing the deal, this news service understands. Vitale & Associati was in charge of negotiations on behalf of Synergo, it is also understood.</p> <p>As reported, Waste Italia reached a debt restructuring deal with creditors in April, which eased the covenants on a EUR 72.9m loan. A source close to the matter expressed concern over the company's ability to meet 2014 maturities.</p> <p>The same source said that Waste Italia's shareholders have recently expressed diverging views over a series of matters including the debt restructuring and the potential merger with Kinexia. Synergo has hired law firm Pavesi Gitti Verzoni to look into an alleged infringement of Waste Italia's pact with shareholders, the source said. This source ruled out a merger with Kinexia, pointing to Synergo's legal considerations.</p> <p>While Colucci had previously maintained that a merger with Waste Italia and Kinexia would be an interesting opportunity, he acknowledged that reaching an agreement with Synergo would now be a long shot. The executive had said that a merger with Waste Italia would scale up Kinexia's operations to a combined estimated turnover of approximately EUR 200m. A Kinexia spokesperson declined to comment on the alleged dispute among Waste Italia's shareholders.</p> <p>Kinexia's revenue dropped to EUR 62.2m in 2012 from EUR 89m in 2011, while EBIT also declined to EUR 3.3m from EUR 5.3m over the same period.</p> <p>M&A will drive revenue growth over the next two years, Colucci said. He estimated that environmental sales will grow to EUR 50m in 2015 from the current level of EUR 15m.</p> <p>The environmental segment will account for around 40% of Kinexia's sales in 2015, Colucci said. M&A will be a key driver for sector growth, triggering the bulk of its environmental revenues, he stressed, noting that revenues from organic growth in the environmental space will come in at around EUR 10m.</p> <p>Management works with advisory boutiques active in the environmental arena to identify M&A targets. Colucci declined to name sector advisors but mentioned Rothschild and EnVent as advising Kinexia on previous transactions.</p> <p>Kinexia will allocate EUR 75m on capex in the two-year period from 2013 to 2015, as announced. Approximately 47% of its overall capex will support the environmental segment, while the remaining 53% will be devoted to the renewable energy sector.</p> <p>Kinexia has a market cap of EUR 28m.</p>		
Source Value Stake Value	Proprietary Intelligence EUR 62m (2012 turnover) N/A		

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