

Deal in focus: Ambianta buys IP Cleaning from Synergo

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In early July, environmental investor Ambianta made a €50m equity commitment to [acquire IP Cleaning](#) (IPC), an Italian equipment manufacturer for the cleaning sector, from Synergo after a period of ownership by a duo of now-extinct private equity backers. Around a third of the GP's commitment was drawn down from its first fund, with the remaining capital committed from [Ambianta II](#), currently being raised.

"We first analysed the deal when we only managed one fund with the view to find a co-investor, because the deal was too large to be accommodated in fund one," explains Ambianta partner Mauro Roversi, who led the deal. "Given that it took more time to make the acquisition, and in the meantime we began raising the second vehicle, the co-investor became Ambianta II."

The GP first encountered the business during an auction run by Lazard and Banca IMI in spring 2013. The process was primarily aimed at trade buyers, though Ambianta held meetings with the management team and conducted site meetings in May that year; a letter of interest based upon a conservative valuation was submitted in June. "One particular trade buyer moved forward with a very attractive offer, so we decided to freeze the transaction for the moment, waiting for a possible evolution in negotiations between Synergo and the trade buyer," says Roversi.

In summertime, a significant reshuffle occurred in the management team of the trade buyer in question, understood to have been one of Europe's main players in the professional cleaning space. Consequently, Ambianta secured exclusivity in October and submitted a slightly refined offer following due diligence. The deal also involved a refinancing of IP Cleaning's existing debt, provided by UniCredit, Intesa, UBI

Banca, Banca popolare dell'Emilia Romagna, Banco Popolare, IKB and Banca Monte dei Paschi di Siena.

The company's history with private equity dates back to 2005 when BS Private Equity and Sofipa, the investment arm of Unicredit bought 82.7% of the company alongside its management team. The vendor, Interpump Group, reinvested to [take a minority stake of 17.3%](#), according to *unquote* data. The following year, Interpump sold its stake to BS, but when BS went out of business in 2011, Synergo took over its portfolio, simultaneously acquiring the assets of Sofipa.

Shareholder shackles

"One of the drivers of our investment rationale is that external dynamics affected IPC's performance, preventing the company from fully capturing the growth that was taking place in the market. The situation of the two shareholders had an impact on the possibility for IPC to capture these opportunities; there was a lack of guidelines and strategy, as well as a lack of funds for follow-on investment and acquisitions," says Roversi.

Consequently, Ambienta's capital commitment will be used to refinance the existing balance sheet, complete the full acquisition of a business that is currently 49% owned by IPC, and to pursue growth. "IPC was originally put together by Interpump, as an aggregation of different companies with different products including vacuum cleaners, hydro-pressure washers, scrubbers and tools for professional cleaning. Basically, it has never been fully integrated into one single entity. The previous shareholders didn't really tackle this issue, so one of our big efforts will be to create a more uniform company from a number of acquired companies that were never integrated properly."

Further bolt-on acquisitions are also planned in order to add specific products for industrial applications or to expand geographically, with a focus on the US and South America - the missing pieces in the company's current international presence. In 2013, IPC recorded revenues of €170m, 90% of which are generated outside of Italy, and EBITDA of €27m. The business is present in around 65 countries, with European markets responsible for the majority of revenues, and has 10 commercial subsidiaries, five manufacturing plants and a 900-strong headcount. After a tumultuous private equity past, the company will no doubt hope to take advantage of the ambitious plans laid out by its latest owner.

People

Ambienta - Mauro Roversi, Francesco Lodrini.

Advisers

Equity – Linklaters, Giorgio Fantacchiotti, Anna Gagliardi (*Legal*); **Studio Bonelli Errede Pappalardo**, Roberto de Nardis (*Legal*); **Vitale & Associati** (*Corporate finance*); **CBA** (*Legal*); **Roland Berger** (*Commercial due diligence*); **EY** (*Tax, financial due diligence*).

Vendor (Synergo) – Legance (*Legal*); **Lazard** (*Corporate finance*); **Banca IMI** (*Corporate finance*).

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