

## Finint bets on green with BP-CVS merger

**F**inint & Partners acquired Italian handling machinery business CVS Ferrari from US listed player Manitex International in mid-November, alongside corporate BP Handling Technologies. The deal marks the seventh investment for the GP's NEIP III vehicle, which held a final close on €75m in December 2011 and expects to be 70% invested by the end of 2016, the GP said in a statement.

Speaking to *unquote*, Finint partner Nicola Bordignon said the deal originated from the long-standing partnership between CVS and BP, aimed at developing a new product. Prior to the acquisition, the Italian companies teamed up to manufacture a new hybrid-fuelled empty container handler. The agreement saw BP focus on developing the proprietary technology, while CVS retained exclusive distribution rights for the product.

In the wake of this project, BP's board members are understood to have been keen on merging the businesses in order to commercialise the new product and expand the client base. Consequently, as CVS owner Manitex decided to divest the company as part of a broader restructuring programme, BP tasked advisory boutique Studio Simonazzi with finding an investor to support the acquisition, says Bordignon.

### Smooth handling

Finint secured the acquisition via an off-market process, which saw the GP inject the majority of the capital in a newco, while BP merged with the newco and concurrently acquired a minority stake. Following the all-equity transaction, which is expected to close by the end of 2016, the newco will acquire and merge with CVS. Finint will own a 60% stake in the new group, while existing shareholders will own the remaining 40%.

As part of the deal, the shareholders agreed to make a further capital increase to boost the commercialisation of the

new product, which is expected to get to market during the first quarter of 2017. Consequently, the focus will be on expanding the hybrid technology to several other products, starting with the full container handlers in around two years' time, says Bordignon.

### Family-owned to management-led

Bordignon says that confirming CVS's management team to lead the business was a relevant clause in order for the GP to agree to a deal. A main factor in this decision was the track record achieved by the management team – led by CEO Stefano Mercati – in the wake of the acquisition by Manitex in 2010.

In 2009, family-owned CVS began to struggle as the financial crisis affected the performance of the sector on a global scale. In July 2010, Manitex fully acquired the business following the conclusion of insolvency proceedings and put a new management team at the head of the business. CVS reportedly posted a €71.8m turnover with a 130-strong staff in 2008 but experienced lower sales as a result of the economic downturn in 2009, with its revenues plunging to €8.2m the

following year. Since then, turnover has climbed back up to €45m in 2015.

Following the acquisition by Finint, Bordignon will join the company's board. The combined group is expected to generate an aggregate turnover of €50m and employ a staff of 100, according to a statement. The GP confirmed it would aim for a five-year holding period and look at several exit routes for the asset. This could include an IPO if the business can substantially increase its turnover, or preferably a trade sale given the sustained M&A activity in this market segment, says Bordignon. ■ *by Amedeo Gorla*

### People

**Finint & Partners** – Nicola Bordignon.  
**Gruppo Battioni Pagani** – Federico Zanotti.  
**CVS Ferrari** – Stefano Mercati.

### Advisers

**Equity (Finint & Partners)** – King & Wood Mallesons (*legal*); PwC (*financial due diligence, tax*); Studio Ceccarelli (*commercial due diligence*).

**Equity (BP Handling)** – Studio Simonazzi (*M&A*).

**Vendor** – Orrick (*legal*).

