



Epta opportunistic on M&A front after Kysor Warren deal – CEO

 Proprietary Intelligence Story

Italian commercial refrigeration specialist **Epta** is opportunistic on the M&A front while it is integrating its recent acquisition, US-based **Kysor Warren**, CEO Marco Nocivelli said.

Epta will start looking for new M&A opportunities over next months, Nocivelli said, once it has finished integrating Kysor Warren – in the first half of the year – and revising its three-year business plan.

In 2017, Epta generated EUR 888m revenue, which it expects to increase to EUR 1bn by the end of 2020, as previously [reported](#).

Its 2017 EBITDA stood at EUR 83m, Nocivelli said, and is expected to be in excess of EUR 90m for the 2018 fiscal year, thanks to a mix of organic and acquisitive growth.

Epta will use future acquisitions to grow its range of complementary products and to increase its reach into new geographies, he said.

In contrast to the US market, which is dominated by larger competitors, there are lots of potential targets active across emerging markets, he said.

In particular, the fragmented South-East Asian market, which comprises small, young companies, has promising growth potential, he added.

Management will look at targets valued on average at 5-8x EBITDA, with EUR 20m-EUR 60m revenues in Asia, he said, and Epta could explore entering new geographies using commercial partnerships before buying in those geographies.

Epta will finance M&A with internal financial resources, Nocivelli said, adding that the company still has some of the cash it raised through a 2016 EUR 20 bond issue.

Epta bought Columbus, GA-based Kysor Warren, which makes commercial refrigeration products including display cases, at the end of March, as reported, for USD 49m, from Texas-based Lennox International [NYSE:LII].

Kysor Warren provides Epta entry to North and Central America, which comprise more than a third of the world refrigeration market, he said; and allows it to reach new consumers and technology.

The Nocivelli family holds 80% in Epta and the Triglio-Godino family the remainder, as previously reported.

In 2015, Epta was certified by the Italian stock exchange's Elite programme, which helps SMEs prepare for listing or investment from financial sponsors, as also reported.