

AMBIENTA SGR BUYS 100% OF IP CLEANING

IP Cleaning is a leader in the manufacturing and distribution of machinery and equipment for the professional cleaning market. Ambienta is investing c. EUR50 million.

Milan, 2 July 2014 – Ambienta SGR, the largest European private equity fund specialised in the environmental sector, is pleased to announce that it has completed the acquisition of a 100% stake in IP Cleaning SpA, a leading manufacturer of professional machines and equipment for the professional cleaning sector.

Ambienta is investing c. EUR50 million in the company, primarily to finance the industrial revamp and the reorganisation of the company.

The agreement has been signed following exclusive negotiations that also involved current lenders (UniCredit, Intesa, Ubi, Bper, Banco Popolare, IKB, MPS), who agreed to a rescheduling of outstanding debt.

IP Cleaning ranks as the #3 player in the European professional cleaning market. The company manufactures its products in six plants located in the North of Italy and employs c. 1,000 people. It is a truly global company with c. 90% of sales recorded outside Italy, of which a significant portion outside Europe, driven by a widespread network of subsidiaries and independent distributors through which the company sells its products to over 100 countries globally. IP Cleaning has a resilient business model, with industry leading and cost-advantageous products servicing a diversified industrial customer base worldwide. Energy and resource efficiency is a critical driver across this market, and Ambienta intends to build upon IPC's existing sustainability focused product range through further investments in R&D.

IP Cleaning was set up in the early 2000s as the cleaning division of Interpump, and subsequently grew through a series of acquisitions. The company was sold in 2005 to institutional investors in a management buyout. Over recent years, the company has been able to defend its margins and retain its significant market share, ranking among the world's leading manufacturers in the industry, notwithstanding the challenging market conditions. In 2013, the Group recorded revenue of EUR170 million and EBITDA of EUR27 million.

Following the acquisition, Federico De Angelis will be appointed as CEO and Chairman. Mr De Angelis is a manager with a strong track record in executing repositioning and growth strategies in large industrial corporations. The business plan will be focused on increased investment in product development, further integration of existing business units, development of key accounts and consolidation of the geographical footprint.

"IP Cleaning is an example of Italian excellence, with a strong international reach, operating in a market with growing economic fundamentals driven by innovations in energy efficiency and a reduction in the environmental impact of detergents," said Mauro Roversi, Partner and Chief Investment Officer of Ambienta.

"We believe that following the injection of fresh financial and managerial resources, and benefitting from Ambienta's strong industrial expertise, IP Cleaning will be able to leverage on the excellence of its industrial skills and products to substantially strengthen its market positioning, solidifying its leadership in the professional cleaning industry at the international level."

"We believe this transaction offers a number of value creation opportunities, both internally through the further integration of the company's different businesses and externally through implementation of a more aggressive commercial strategy and external growth avenues," added Francesco Lodrini, Investment Manager at Ambienta.

"I believe IP Cleaning represents an industrial platform with a significant growth potential, and with a product range, production footprint and commercial organisation which are fit to compete in all segments of professional cleaning, globally", said the new CEO Federico De Angelis, "I look forward to working alongside Ambienta to drive the industrial growth of IP Cleaning".

The transaction was managed by Ambienta's Chief Investment Officer, Mauro Roversi, and Investment Manager, Francesco Lodrini. Ambienta was advised by Giorgio Fantacchiotti and Anna Gagliardi of Linklaters (legal M&A), Roberto de Nardis of Studio Bonelli Erede Pappalardo (banking), Vitale & Associati (financial advice), CBA (structuring), Roland Berger (business due diligence) and EY (tax and accounting due diligence). Synergo SGR was assisted throughout the deal by Legance as legal advisor and Lazard and Banca IMI as financial advisors.

IP Cleaning - Integrated Professional Cleaning – IP Cleaning consists of a group of companies, products, business units and services able to provide global solutions to the needs of the professional cleaning sector. The size and international reach of the IPC group make it one of the world's leading producers of professional cleaning machines and equipment, with a vast range of prestigious products and brands, targeting a broad customer base. The business units specialise in specific segments of the market, where they are present with dedicated production units, sales networks and a constant commitment to technological research and product innovation. Further information at www.ipcleaning.com

Ambienta SGR is the largest European private equity fund focused on the environmental sector with assets under management of over €450 million, through the funds Ambienta I and Ambienta II*. Ambienta has completed ten investments (16 including add-ons) in the areas of energy efficiency, pollution control, recycling, and primary resource management. Ambienta contributes actively to the development of its portfolio companies, offering industrial and managerial expertise and broad industrial relations. Ambienta operates out of Milan, Munich and London. Further information at www.ambientasgr.com

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