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EPTA open to suggestions from advisers; could make acquisitions, CEO says mergermarket  
EPTA, the privately held, Italian maker of refrigeration equipment, has been approached several times by private equity firms willing to buy a stake in the business, said Chief Executive Officer Sergio Chiostrì. In an exclusive interview at the company headquarters in Milan, Chiostrì said every financial investor's approach has been rebuffed because the Nocivelli family who controls 100% of the company has no intention to sell.

Chiostrì said that it is the family's intention to grow the company with its own resources and pursue a standalone strategy. "The company in fact does not need an equity injection," he said.

Chiostrì said the company aims to strengthen its presence abroad and could look at local players with large market shares.

"We have enough production capacity and know-how. Our products are one of the most advanced in terms of technology and ecological standards," he said. "We could buy a player which can bring us more market share in a specific region."

Last September EPTA acquired Euro'Cryor, a producer of banks for refrigeration units. The vendor was the Austrian investment group Gasser & Partner. Euro'Cryor posted a turnover of EUR 25m in 2007, a previous report said. EPTA was advised by Mediobanca and Studio Legale D'Angelo in Genoa in the acquisition.

Just a few months ago, Chiostrì said, targets in the sector were valued at 6x-8x EBITDA. However, due to the current economic downturn, such figures are to be reviewed, he pointed out.

Chiostrì said EPTA is not evaluating new acquisition dossiers but remains opportunistic. The company is always open to suggestions from advisers on scouting for potential targets, he said.

He said that the refrigeration sector is lead by few global players and is quite consolidated. "There are not many targets worth acquiring."

The CEO said that areas of interest include South America, South-East Asia, Russia. He said that EPTA has never made an acquisition in Russia although it has an important presence in the country. He named Brazil, Argentina, India, China as appealing countries for EPTA. The company is building a new plant in Baranquilla (Colombia) to cover the Pacific area and South America.

EPTA is ranked fourth in the global sector in terms of turnover. Competitors include Hussmann of Ingersoll Rand, Carrier and Arneg in Italy, he said.

The company has turnover of EUR 450m and 2,500 employees, of which 100 are in R&D. The company has a debt/equity ratio of 0.5 and has 30% of the Italian market, the CEO said.

by Guglielmo Stabile in Milan