

Poplast seeks targets in flexible packaging sector, to close a deal in 2017

Proprietary Intelligence

Story

Italy's **Poplast**, a flexible-plastic packaging manufacturer, is looking for acquisition opportunities, CEO Pierangelo Fantoni said, adding that it has identified one target and aims to complete that deal by 2017.

Poplast usually pinpoints its potential targets through its direct contacts in the sector, Fantoni said. The company normally appoints legal or due diligence advisors for an acquisition's final stages.

EUR 35m-revenue Poplast is looking to grow its presence in foreign markets, especially in the DACH area, and to consolidate its Italian market share, through a mix of strategic acquisitions in its space and organic growth. It wants to use M&A to increase its size, diversify its production and reach new, untapped client bases, especially in healthcare and some niches of the food sector, he said.

Fantoni declined to specify the current target's business, its exact location or the deal value, but said that Poplast pursues acquisitions among Italian flexible-packaging converters generating between EUR 10m and EUR 20m in revenue, and possibly manufacturing products that can help expand its offering and find new uses for its existing products.

It will look especially at market niches that are profitable and "not very crowded"; for example, plastic material converting for the pharmaceutical and medical sectors, he added.

The company ended 2016 with EUR 5.7m EBITDA, he said, adding that future add-ons are likely to be financed through bank loans.

Last November, Poplast sold an 86.5% stake to private equity firm **Eos Investment Management**, as reported, to support its growth and reach EUR 50m turnover by 2020. The firm will also look to improve efficiency, and consolidate and saturate its production lines, Fantoni said.

Poplast took legal advice on the sale from **Studio Pedersoli**, and the fiscal, financial and accounting aspects were handled by **DLA Piper** and **Studio Ogliari**, he said. **Goetzpartners** carried out due diligence. Eos was advised by **Grimaldi** and **Deloitte**.

A stock exchange listing is not on Poplast's agenda at present, as it

wants to concentrate on its expansion, Fantoni said.

Established in 1975, Poplast produces flexible packaging for Italian companies active in the food, pharmaceutical and industrial sectors.

Since 2005, it has grown its revenue by 14% per year, according to a press release. Fantoni declined to name its competitors, describing them only as flexible packaging converters based in Italy, with the food and healthcare sectors as their downstream markets.

by Valentina Caiazzo in Milan