

## Gruppo Saviola considers acquisitions; has targets in sight – CEO

21 FEB 2020

Gruppo Saviola, an Italian recycled wood panel manufacturer, could pursue acquisitions to accelerate its international expansion and has some targets in sight, CEO Alessandro Saviola said.

Management looks at Germany and other European markets for potential acquisitions, having started its internationalisation process last month, with the [takeover](#) of German competitor Nolte Holzwerkstoff, he said. It does not have mandated advisors but evaluates whether to hire them on a case-by-case basis, he said.

Future buys could be larger than its EUR 80m-turnover Nolte Holzwerkstoff acquisition and targets could generate as much as EUR 200m in revenue, Saviola said.

The firm could consider targets active in its core premium-level wood panel manufacturing business, as well as add-ons to its lateral chemical division, in particular producers of fertilisers and tannins, M&A manager Massimo Moreni said, adding that management has “some specific targets in mind”.

The company, which currently derives 42% of its revenue from Italian sales and 58% from exports, looks to invert the percentages over the next five years both via organic and inorganic growth, he said.

Potential M&A could also help it boost its size, as it aims to grow its turnover from current EUR 605m to EUR 1bn in five years' time, he said. A new comprehensive business plan on this should be ready by March, he added.

Gruppo Saviola expects to self-finance its growth, being able to count on EUR 190m of liquidity, he said. It could also tap bank loans, if needed, he added.

Fully owned by the Saviola founding family, the company does not plan to open its shareholder base for the time being. However, as it intends to maintain its leverage ratio within 2x, it could consider other financial means should it come across interesting larger M&A opportunities, he said.

A potential capital raise could be looked into as long as it allows the shareholders to maintain a majority stake, he said. A stock exchange listing could be another option to evaluate to inject equity in the group, Saviola said, adding that such scenarios are not being evaluated at present.

Gruppo Saviola has been courted by interested financial investors in the past, but it was not interested in selling equity at that time, he said.

Even so, management has been doing internal evaluations regarding a potential enterprise value, Moreni said. Considering the group's profitability, its EUR 100m EBITDA, its business plan's objectives and its market positioning, its valuation could be as high as EUR 1bn, he noted.

Established in 1963 by Alessandro's father Mario Saviola and uncle Angelo, Gruppo Saviola is mainly active in the production of wood panels derived from recycled material. It has almost 1,500 employees and operates through four business divisions: wood (Saviola), chemicals (Sadepan), furniture (Composad) and biosciences (Saviolife), for a total of nine factories around the world, as per its website.

by Valentina Caiazzo in Milan

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Grade: Confirmed

**BIDDERS**

[Gruppo Saviola](#)

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**TARGET**

[Gruppo Saviola](#)

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**Countries**

Germany  
Italy

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**Sectors**

Construction

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**Sub-Sectors**

Other heavyside  
materials

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**Topics**

Advisory  
Invitation (Due  
Diligence)  
Advisory  
Invitation  
(Lawyers)  
Bolt  
on/Opportunistic  
Companies for  
sale  
Cross Border  
Family  
Owned/Closely  
Held  
Growth Capital  
Raise  
IPO

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