

## Euroconnection to complete two acquisitions this year, seeks further bolt-ons

09 MAY 2017

**Euroconnection**, an Italian producer of electrical and electronic wiring for industrial automation, is looking to complete two acquisitions this year to enlarge its product offering, Chairman and founder Michele Bardus said.

The company has identified two Italian targets specialised in wiring valves of automation machinery with a turnover of around EUR 3m, he said, declining to name them. Euroconnection plans to start the due diligence process before summer and possibly finalise the deals by the end of 2017, Bardus said. The firm is being advised by accountants firm **Piloni, Binello & Partners**.

Having posted EUR 14m in revenues last year, up from EUR 11.8m in 2015, EUR 2.4m in EBITDA and EUR 1.1m in net profit, the group is financially ready to back its growth. It has a cash pile of around EUR 5m - EUR 6m, he said. It is also backed by a pool of banks, including **Unicredit, Intesa San Paolo, Banca Sella** and **Banca d'Alba**, he added.

Euroconnection aims to grow its turnover to EUR 20m in a couple of years by expanding in new wiring niches, but the growth pace could be accelerated with further bolt-ons, Bardus said. Once the company completes the ongoing acquisitions, it will look at new strategic M&A, both in Italy and abroad.

Euroconnection is particularly interested in growing its presence in Germany, which has a wiring industry worth around EUR 220m, he said.

The firm will first work to establish a wide sales network in the country, hoping to gain some 0.5% - 1% market share in its first year. It could then look at potential acquisitions in the next couple of years to accelerate its expansion there, he said, adding that no targets have been identified yet. The company is also already present in France and Spain, he added.

Between 2009 and 2013 Euroconnection spent around EUR 300,000 yearly in R&D. Since 2013, the company has also invested around EUR 6m to build its new headquarter in Lessolo (Turin) with an innovative structure and automated systems, Bardus said. Financing came 50/50 from its internal resources and bank loans, he added.

Euroconnection is not interested in opening its shareholder base for financial reasons at present, as it is able to back its expansion, he said. The Bardus family fully controls the firm through its **KGM Holding**. Bardus (60) and his son and company CEO Kevin (38) are running the business.

However, in a mid-term scenario where Euroconnection grows its turnover well above the EUR 20m - EUR 30m threshold, possibly in the next three to four years, its owners could start considering new strategic options, especially with a view to increasing its production and management skills, he said. If a major strategic suitor, like a multinational wiring company, were to approach it with an offer for a stake sale or a full sale, then they would consider it, he said.

A multinational group already approached Euroconnection with a takeover offer 10 years ago. At the time, the offer was turned down as the company was still small (EUR 4m in revenues) and the owners felt there was a lot of growth potential to be untapped, Bardus said.

Established in 1995 by Bardus, Euroconnections produces and assembles electrical and electronic wiring and control panels for industrial automation. Among its international competitors are the likes of **Siemens** [ETR:SIE] and **Omron** [TYO:6645], Bardus said.

by Valentina Caiazzo in Milan

Grade: Confirmed

## BIDDERS

### [Euroconnection Srl](#)

### Accountant

[Piloni, Binello & Partners \(PB&P\)](#)

### Debt Provider

[Banca Sella S.p.A.](#)

[Banca d'Alba](#)

[Intesa Sanpaolo S.p.A.](#)

[UniCredit Group](#)

### Competitors

Siemens Corporation

Omron Corporation

## Countries

Germany

Italy

## Sectors

Industrial: Electronics

## Sub-Sectors

Electrical components

Fibre optics and electric cabling

## Topics

Advisory Appointment

Bolt on/Opportunistic

Cross Border

Family Owned/Closely Held

Intelligence ID: 2431253

## TARGET

### [Euroconnection Srl](#)

*To be used for the internal business of the assigned users only. Sharing, distributing or forwarding the entirety or any part of this article in any form to anyone that does not have access under your agreement is strictly prohibited and doing so violates your contract and is considered a breach of copyright. Any unauthorised recipient or distributor of this article is liable to Mergermarket for unauthorised use and copyright breach.*