

DATE

December 31, 2016

SECTORS

Industrials

DEAL TYPE

M&A Advisory

DEAL LOCATIONS**DEAL TEAM****David Benin**
CEO

DC Advisory advised Alteo on its sale to Imerys

**Background:**

- Spun-off from Rio Tinto Alcan in July 2012 as part of a larger transaction with H.I.G. Capital, Alteo Arc and Alufin are amongst the top European producers of fused and tabular alumina
- With more than 100 years of history, Arc has developed an unparalleled know-how in the development and production of high quality White and Brown Fused Alumina, whereas Alufin has focused on Tabular Alumina for more than 20 years
- With a 83Kt production and a total staff of c.290 employees, the companies generated more than €80m of sales in 2015, of which c.25% outside Europe
- As a result of a successful performance improvement plan implemented over the last 3 years, their profitability level has continuously improved resulting into an 8% EBITDA margin in 2015

Process and outcome:

- In the aftermath of a global performance improvement plan, following a general business review and considering limited commercial and industrial synergies, Alteo intended to refocus on its refinery and calcined alumina operations (i.e. Alteo Gardanne), and was therefore contemplating the disposal of its high value-added downstream fused and tabular alumina businesses, consisting of Arc in France (Beyrède and La Bâthie sites) and Alufin in Germany
- In February 2016, Alteo mandated DC Advisory as exclusive financial advisor to lead the disposal process of its subsidiaries
- After an accelerated M&A process, Imerys who expressed its interest upstream in the process, pre-empted the asset, offering an Enterprise Value of €44m

- Thanks to this acquisition, Imerys consolidates its leading position on white fused and brown fused alumina production and extends its product range with tabular alumina
- The transaction is expected to generate significant synergies based on product, customer and geographical complementarities
- This transaction illustrates DC Advisory's expertise in realising an accelerated competitive carve-out process and strengthens its track record in the chemical sector