

**DATE**

March 29, 2019

**SECTORS**

Industrials

**DEAL LOCATIONS**



**DEAL TEAM**



**Erik Jensen**  
Managing Director



**Michael Mariaz**  
Managing Director

# DC Advisory advised Lennox International on the sale of EPTA



## Background

- Headquartered in Georgia in the United States, Kysor Warren is the third largest North American designer, manufacturer and installer of refrigeration cases and systems
- Kysor Warren's products have applications in the retail, food service, grocery and convenience store markets, with key customers including Walmart and Costco, and are used to house and display meat and dairy products, frozen food and beverages
- The systems are custom-designed to meet store specifications and optimise energy efficiency by utilising innovative natural refrigerants
- Kysor Warren holds an attractive market position owing to its large installed base with blue-chip customers, a rapidly growing dealer network with exclusivity agreements, a broad product offering that is more energy efficient than competitors and a strong reputation for quality, lead times and aftermarket service, including spare parts
- Lennox International (Lennox), a c.\$10bn market capitalisation HVAC group focused on residential and commercial heating and cooling and refrigeration, acquired Kysor Warren in 2010

## Process

- DC Advisory (DC) has been a long-term advisor to Lennox having previously advised on the sale of two non-core businesses in 2012 and 2013
- DC was retained by Lennox to assess strategic options for Kysor Warren with a view to running a targeted, trade-focused auction process

## Outcome

- On 29 March 2019, Epta Refrigeration (Epta) entered into a definitive agreement to acquire Kysor Warren for a consideration of \$49m
- Controlled by the Nocivelli family, Epta is an Italian headquartered group specialised in the design and manufacturing of commercial refrigeration units and systems for retail applications under a range of leading brands including: Costan; Bonnet Neve; George Barker; Eurocryor; Misa; and Iarp
- The acquisition is consistent with Epta's strategy to expand its North American footprint in order to achieve its 2020 target of €1bn revenues (up from c.€900m revenue in 2018) with 10%+ EBITDA margins
- In parallel, Epta announced that it will create a new company, Kysor Warren Epta US Corp., to further accelerate its growth in the region by leveraging the Kysor Warren brand
- The transaction further demonstrates DC's strong HVAC sector franchise (representing the eighth transaction in the space in less than three years) and ability to access key decision makers within multinational strategic purchasers