

## **Inter-Risco completes the acquisition of MBE Sotkon and JMN, the iberian market leaders in the underground containers for solid urban waste sector**

Inter-Risco has concluded a Eur 17 million investment in MBE Sotkon, S.L. (60%) and José Manuel Novo, S.A. (100%), market leaders, in Spain and Portugal respectively, in the production, assembling and installation of underground containers for solid urban waste. The acquisitions were performed through ASFC Contentor, S.L., a company jointly controlled by Inter-Risco and Auto Sueco Group.

The final acquisition of José Manuel Novo, S.A. is pending clearance from the Portuguese Competence Authority which the parties expect to be obtained in the next 30 days.

This investment, performed via Inter-Risco's first fund (Fundo Caravela), together with Auto-Sueco Group, has granted the private equity firm with a 33% equity stake in the group.

The Eur 17 million investment round will allow ASFC to execute its organic growth strategy, both in Spain and in Portugal, in a market growing more than 50% a year in the last 5 years and where underground containers only have a 2% penetration in the solid urban waste containers market. Contacts and approaches of public and private entities from the 4 continents (Singapore, Angola, Brazil, USA, etc) will accelerate the international roll-out of the business. The new group expects to have a foot-hold in approximately 8 new markets in the next 4 years.

By year end, the company arising from the merger of both targets is expected to present an annual turnover of Eur 19 million, with a geographical presence all over Iberia and 2 business units abroad, reinforcing its leadership position in the underground container market.

Inter-Risco is one of Portugal's leading private equity players, managing a portfolio of over Eur 100 million comprising reference companies such as Mastertest, Serlima, Accountec, NewCoffeCo, among others. This investment in ASFC was the last one performed through the vehicle Caravela Fund.

Fundo Caravela is a € 30 million private equity fund, targeting expansion and build-up investments in Portuguese SMEs, and is sponsored by both Banco Português de Investimento and the European Investment Fund. The fund's target IRR is set between 30% and 40%, justified by both the current portfolio performance and Inter-Risco's track-record in this type of investments.

We recall that the fund closed its investment period last June, having invested approximately € 22 million in 7 portfolio companies in a broad range of industries, such as electronics (Chipidea), tourism, coffee manufacturing, environment, auto-inspection centres, facility services and business process outsourcing services.

Due to the closing of the fund's investment period, Inter-Risco has started its fund-raising process for its new fund, Inter-Risco II with an initial target set at € 100 million. For the last months the GP has received a significant number of manifestations of interest, which indicate an oversubscription of the fund. Based on these latest developments, Inter-Risco has decided to increase the fund's size to € 150 million and expects to perform its first closing in the next month. Inter-Risco II will be sponsored by Banco Português de Investimento.

**Advisers:**

**Investor due diligence:** PricewaterhouseCoopers

**Investor Legal:** Uria Menendez / BPI Legal / Telles de Abreu & Associados