

MARCH 2021 DEAL OF THE MONTH

CLAIRFIELD
INTERNATIONAL

CLAIRFIELD ADVISES CROSSBORDER PAPER/PACKAGING TRANSACTION

ITALY/UK

 **LUCART**
SHARING THE FUTURE

acquired

 **esp**
a great deal of difference

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Transaction summary

The Lucart Group, a European producer of machine-glazed paper, tissue products, and airlaid products based in Lucca, Italy, acquired 100% of the share capital of ESP Ltd (Essential Supply Products Ltd.), the leading independent manufacturer of tissue paper products for the Away from Home market in Great Britain.

Company profiles



Lucart Group is a multinational group that, with its over 60 years of history, is today the European leader in the sector of paper for flexible packaging, the Italian leader in the sector of tissue paper, with the Tenderly and Tutto brands, and the main producer in Southern Europe of ecological tissue paper for the consumer market. The Group employs over 1,600 people in ten production plants in Italy, France, Spain, Hungary and Germany, processing approximately 400,000 tons of paper per year. Lucart closed 2020 with a consolidated turnover of over 500 million euros.



Formed in 1990, Essential Supply Products Ltd (ESP) is one of the UK's leading independent manufacturers and converters of disposable tissue products. Based in Malvern, Worcestershire, ESP supplies tissue paper products and dispenser systems to wholesale distributors, who in turn, serve the Away from Home (non-consumer) market. ESP manufactures a broad range of products for the janitorial, hotel, restaurant, facilities management, catering, industrial and healthcare sectors, as well as just-in-time supply and around-the-clock production. In 2020 ESP achieved GBP 26 million in sales.

Transaction rationale

The acquisition was of great strategic importance for Lucart Group, allowing it to consolidate its presence in Great Britain, which is the second-largest market in Europe for tissue paper. ESP meanwhile needed an investor to grow the company sustainably and to its full potential.

Clairfield role

The transaction had two key challenges to address: COVID-19 and Brexit.

Clairfield was appointed as the buy-side advisor as Lucart had worked with the Italian team in the past. The target company was known to Lucart as they had been working together commercially for years: Lucart mills provide the paper processed at ESP's manufacturing plant in Malvern. The mandate consisted of agreeing on terms and seeing the transaction through, no easy task throughout the pandemic. While some sectors ESP served, such as catering, had suffered throughout the pandemic, other sectors such as healthcare and hygiene, continued at high levels of activity. Site visits and meetings were conducted online as the Italian team was unable to travel to the UK. Meanwhile, Brexit made ESP an especially attractive target.

The Clairfield team in Milan and Birmingham UK worked together seamlessly to get all parties to agree on the terms of the deal in the midst of a turbulent time and in advance of potential capital gains tax changes in the UK.

The operation is of strategic importance for the entire Group. Thanks to the Clairfield team for making it happen. — Massimo Pasquini, CEO Lucart

Deal team: Filippo Guicciardi, Chris Gregory, Maximiliano Turelli, Peter Bull

Selected Clairfield International transactions

UK/JAPAN



was sold to



Japan Pulp & Paper Group

FRANCE



acquired



FRANCE CONSIGLIO ITALIANO DELLA CARTA

GERMANY/US



was sold to



FRANCE/MEXICO



backed by



acquired



CANADA



acquired



MEDICAL TECHNOLOGIES

ITALY




was sold to




CARTIERA DELL'ADDA

FRANCE



was sold to



EMBALLAGES

FRANCE



acquired the assets of



GERMANY



was sold to

INDUSTRIAL EUROPEAN WOOD PRODUCTION HOLDING

FRANCE

VACHERON INDUSTRIES

acquired a stake of




in



Packaging Spirit

SPAIN



debt advisory

FRANCE



acquired



CARTONNAGE NUMÉRIQUE

Leading independent M&A advisor for midmarket deals

Clairfield International was founded in 2005 by four European M&A boutiques and has since expanded to encompass all major economies worldwide with the addition of knowledgeable partners in key markets.

Our strengths are our entrepreneurial spirit, local expertise, industry know-how, and close bonds among all team members spanning the globe.

Clairfield ranks as one of the top independent M&A advisors in league tables worldwide.

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