

DEALS FEBRUARY 5, 2020 / 5:22 PM / UPDATED A DAY AGO

Bain Capital buys controlling stake in Italy's Engineering

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MILAN (Reuters) - Bain Capital has agreed to buy a controlling stake in Italian IT services provider Engineering, the U.S. private equity firm said on Wednesday, in a deal one source said valued the company at about 1.6 billion euros (\$1.8 billion) including debt.

Under the agreement, Bain Capital will buy a controlling stake from British private equity company Apax Partners and U.S. investment manager Neuberger Berman, with the latter reinvesting in Engineering through different funds.

Founded in 1980 and headquartered in Rome, Engineering specializes in software and digital platform development for public and private companies and employs about 11,000 people in Europe, the United States and South America.

Engineering posted revenue of 1.3 billion euros and core earnings of 160 million euros in 2019 and it is expected to continue to grow, having bought 19 companies in recent years.

“We believe the Engineering Group has the potential to grow further in a very fragmented market, both organically and through acquisitions,” said Luca Bassi, a managing director at Bain Capital.

Paolo Pandozy will stay on as Engineering’s chief executive and re-invest in the group alongside other key managers, Bain said in its statement.

One source said founder Michele Cinaglia had sold his stake but would remain involved with the company.

The deal is expected to close by the end of April, subject to regulatory approval, a Neuberger Berman statement said.

Apax Partners and Neuberger Berman invested in Engineering in 2016, alongside founder Cinaglia and some managers.

Bain Capital was advised by BNP Paribas, Deutsche Bank, Mediobanca and Bain & Company. Neuberger Berman and Apax were advised by Rothschild over the sale of their stakes. Banca Imi and Lazard advised

Neuberger Berman about reinvesting in Engineering through different funds.

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