

## Fincons to execute acquisition strategy in 2021 - deputy CEO

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Fincons Group, a Swiss-Italian IT business consultancy and system integrator, plans to implement its acquisition strategy from 2021 to accelerate its growth pace, deputy CEO Francesco Moretti said.

The coronavirus crisis is taking its toll on the firm in terms of payment delays and difficulties in originating new business, Moretti said. But, Fincons does not expect the COVID-19 crisis to impact its acquisition strategy for now, given its plans are set for next year onwards, he said.

Management plans to start building a pipeline of potential targets next year, he said, adding that it will rely on its internal resources for the scouting process.

How the economic situation will evolve depends on the duration of the lockdown, he said, adding that if the government's restrictions are loosened in May, as announced, the impact on business should be contained to a temporary hit on turnover.

The company, which generated EUR 155m in revenue with an EBITDA margin of more than 10% in 2019, aims to expand its international footprint and consolidate its market position, he said.

It will aim to grow its IT media business unit and focus on OTT TV solutions development, enhance its hybrid and smart TV offering by combining broadcast and broadband services and enabling audience interaction, he explained.

Potential buys could also be used by Fincons to diversify its business, he said, as it could add on specialised IT companies to help it develop proprietary solutions. Besides the media sector, which is currently its focus, the company offers end-to-end software solutions to firms active in the energy and utilities, financial services, manufacturing, public administration and transportation, as per the company profile.

Fincons aims to grow its turnover to EUR 200m through 2021, via a mix of acquisitions and organic investments, Moretti said. It foresees a 15%-20% year-on-year organic expansion, that will be powered by an extra EUR 20m-EUR 30m in revenue through acquisitions, he underlined.

To back its expansion plans, Fincons will initially use a mix of internal cash resources and bank loans, he said without providing further details. Management is also evaluating opening its shareholder base to investors, he said.

The company is owned by four members of the management team, including Michele Moretti, the CEO and founder, Francesco Moretti, the Deputy CEO, Chairman Franco Cammarota and partner Agostino Panzeri, he said.

The firm is ready to start exploring a potential capital increase, eyeing family offices as desirable investors, Moretti said. It is not considering private equity funds as it prefers to deal with entrepreneurs and strategic investors rather than financial sponsors, he said.

The owners have yet to decide how much they would want to raise and the size of the potential capital rise. This will depend on its financial needs as it proceeds with its acquisitive growth, he added. It could look into an IPO as an alternative, as reported in a separate story.

In 2016, this news service reported that Fincons was completing a deal with an unnamed, San Francisco-based Italian IT company. Moretti said that those negotiations fell through and the deal did not get completed.

Instead, it acquired Italian editorial group Mondadori's IT Factory unit last month, for an undisclosed amount. The deal will allow Fincons to further expand in France, where it has already started to partner with key media companies, and to work with TF1 and Reworld Media, Moretti said.

In 2017, Fincons launched its internationalisation plan, opening branches in the UK, the US, Germany (2019), and in France (2020), he said.

Established as Consor in 1983 by Michele Moretti, CEO and shareholder, the company changed its name to Fincons SpA in 2007. In the media sector, Fincons Group's consulting expertise includes building multi-channel broadcasting platforms; rights management and programming; production management and control; multimedia advertising and portals and mobile apps. Its customers include broadcasters such as Mediaset [BIT:MS] and Sky.

by Valentina Caiazzo in Milan

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Grade: Confirmed

**BIDDERS**

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**Countries**

Italy

Switzerland

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**Sectors**

Computer

services

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TARGET

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**Sub-Sectors**

IT consulting

**Topics**

Bolt

on/Opportunistic

Companies for

sale

Cross Border

Family

Owned/Closely

Held

Growth Capital

Raise

IPO

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