

IREN acquires the environmental business unit of FG Riciclaggi and 100% of Ferrania Ecologia in the province of Savona

Reggio Emilia, 22 May 2019 – In closing off his 3-year mandate, the Chairman Paolo Peveraro (M&A operations director) announced that today, IREN Ambiente, a company in the IREN Group, operating in integrated waste management, had signed a preliminary contract with FG Riciclaggi and Liguria Ecologia, to acquire 100% of the share capital of Ferrania Ecologia and the FG Riciclaggi waste sector business unit.

The preliminary contract signed with FG Riciclaggi envisages (i) the acquisition of 50% of the share capital of Ferrania Ecologia, owned by Liguria Ecologia s.r.l. (subsidiary of the Duferco Group) and (ii) the acquisition of 50% of the share capital of Ferrania Ecologia owned by FG Riciclaggi S.p.A., prior to the latter conferring its waste business unit to Ferrania Ecologia s.r.l., releasing the share capital that will be resolved by FG Riciclaggi and Iren Ambiente.

The FG Riciclaggi Group operates in RD waste recycling (in particular plastic and bulk waste and Organic Fraction of Municipal Solid Waste intermediation). It has three plants at Cairo Montenotte, Savona and Albenga, whereas Ferrania Ecologia manages the 45,000 tons/year biodigester at Cairo Montenotte (Savona) (30 kton of OFMSW and 15 kton of green), which has already been authorised to double its capacity to 80,000 tons/year (60,000 tons of OFMSW and 20,000 tons of green).

The operation is subject to conditions precedent that must materialise by the end of May. It involves payment of around € 6 million to acquire the entire share capital of Ferrania subsequent to the contribution of the FG Riciclaggi business unit, in addition to the signing of a contract with Duferco Engineering to double capacity at the biodigester in Cairo Montenotte.

*“This last transaction - **stated the Chairman Paolo Peveraro** - represents a further step forward towards confirming Iren as an aggregating hub within its reference regions, in line with what had been set out in the business plan and what has been achieved in recent years. At the end of my mandate, which began 3 years ago, - **continued the Chairman** - I am proud to hand over the basis for the seventeenth M.&A transaction to the Group. These transactions have ensured a contribution to Iren’s Ebitda of over € 120 million over three years.”*

Massimiliano Bianco, CEO of the Iren Group added, *“The operation will allow IREN Ambiente to set down tangible roots in the Savona region, establishing future synergies across the Savona – Genoa – La Spezia basin. These synergies can effectively be realised by optimising FG plants, which are operating at half the authorised volumes, and fully utilising the capacity of the Ferrania Ecologia OFMSW plant once capacity doubles.”*