

Italy's Parmesan cheese giant Nuova Castelli starts shopping in Italy, Poland and US

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Nuova Castelli spa, the leading Italian manufacturer and exporter of Parmigiano Reggiano, will sign soon an agreement with major shareholders (all Italians) of Poland's **North Coast**, a company listed on the Warsaw Stock Exchange. After the deal Nuova Castelli will control North Coast and will start procedures for a delisting of the company, *MF-Milano Finanza* writes today.

North Coast, has a tiny capitalization of about 13 million zlotys (about 3 million euros) but it owns a very well organized distribution platform all over Poland to supermarkets and horeca channel for Italian food products and brands such as Kimbo coffee, Gallo rice, Cirio tomato sauce, Carapelli oil and Agnesi pasta).

A North Coast also owns a 50% stake in the shareholders capital of **Tinis**, a leading company in Poland producing mozzarella cheese. Owner of the other 50% stake is **Alival Group**, a leader on the Italian market in mozzarella cheese production with revenues of about 200 million euros in 2014 (up from 175 million in 2013) and aiming at 250 million at the end of this year. Alival, in turn, has been acquired by Nuova Castelli spa a few days ago.

Thanks to the deal, North Coast is expected to bring to Nuova Castelli spa additional revenues of about 50 million euros in two years' time. The Alival deal had been announced already last June when UK private equity firm **Charterhouse Capital Partners** signed the closing of the acquisition of an 80% stake in the shareholders' capital of Nuova Castelli (see here [a previous post by BeBeez](#))

More in detail, Nuova Castelli (which is now led by chairman and CEO **Luigi Fici** but is still participated by former chairman and CEO Dante Bigi with a 20% stake), bought the entire capital of Alival, from Dante Bigi srl (a holding company owned by Mr. Bigi). Bigi in turn had acquired Alival last spring.

In this deal Alival has been valued about 125 million euros and Mr. Bigi has been supported by **CP Advisors**, a New York advisory firm with offices in Milan, led by senior bankers **Salvo Mazzotta** and **Marco Garro**, who had already advised Mr. Bigi in the sale of Nuova Castelli to Charterhouse.

At that time the sole cheese manufacturing activity of Nuova Castelli, which employs 250 workers, has been valued around 350 million euro, included debt, due to 2013 revenues of 290 million euro. This means that in 2015 revenues of the two groups together will reach 500 million euros. The UK private equity operator actually bought the stake in Nuova Castelli just after the company **spun of its canned fish activity which** is now owned by Dante Bigi and is up for sale.

Last but not least, Nuova Castelli is preparing new acquisitions and aims to list on the Italian Stock Exchange in the medium term. Talks are open with some potential US targets all with revenues of over 50 million dollars. Nuova Castelli does not have a presence in US at the moment so that's why it is looking to new opportunities among companies that own a well spread distribution platform and cheese import quotes.