



## Gaining strategic Iberian market position in pellet and wood heating

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### DEAL SNAPSHOT

**NIBE Group, the listed Swedish developer and manufacturer of intelligent and energy-efficient indoor comfort solutions, has acquired Portugal-based Solzaima, a leading developer and manufacturer of pellet- and wood-fired products for primary and secondary heating, from Portuguese private equity firm HCapital Partners.**

Founded in Sweden in 1952, NIBE has grown into a global group with 21,000 employees and a worldwide presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for responsible business operations. Its success factors are long-term investments in sustainable product development and strategic acquisitions.

Solzaima has a history dating back to 1978 and is based in the vicinity of Porto. The company, with a turnover of approximately US\$22 million with healthy margins, has 200 employees and operates out of a modern production facility which opened in 2020. In addition to its strong market position in Portugal, Solzaima has developed a substantial presence in the Spanish and French markets.

“The acquisition of Solzaima enables us to gain a proper foothold in the pellet products market. Since pellet products account for the bulk of the market in Southern Europe, Solzaima will play a significant part in our future expansion. The company’s sales predominantly focus on the Iberian Peninsula, which means it also complements us perfectly geographically. Solzaima has a strong management with extensive experience in our industry. It is gratifying that they will retain a share in the company for another five years to continue to develop operations together with us, which is completely in line with our philosophy.”

**GERTERIC LINDQUIST**  
MANAGING DIRECTOR AND CEO  
NIBE INDUSTRIER  
SWEDEN

### OAKLINS’ GLOBAL REACH FACILITATED THIS TRANSACTION

Oaklins’ Portuguese and Swedish teams proactively sourced the opportunity and acted as NIBE Group’s financial advisors throughout the acquisition process.

## MARKET TRENDS & DEAL DRIVERS

Renewables and biofuels as energy sources have steadily increased their share of gross available energy in the EU, growing from 10% in 2009 to 17% in 2020 and expected to reach 30% in 2030. At present, approximately 60% of this stems from bioenergy sources, 75% of which is consumed by heating.

Residential wood pellet consumption grew at a compound annual growth rate of 9.1% from 2012 through 2020, with France boasting the highest growth rate at 15.1%. Favorable economics and EU policy, aimed at decarbonizing the domestic heating sector, are expected to drive the market going forward.

## M&A VALUATION ASPECTS

Financial details of the transaction are confidential. Valuations in the sector vary depending on the specific vertical and geographic market served, as some sub-sector and geographic markets are expected to grow faster than others, with different competitive landscapes and financial profiles.

Broadly speaking, however, valuations for SMEs in Europe are typically in the high single-digit to low double-digit multiples of the EBITDA space, with higher valuations normally requiring targets with a technological edge.

## TALK TO OUR ADVISORS



✉ **JOÃO BEIRÃO**

Managing Partner  
Portugal  
T: +351 21 053 4768

João has more than 20 years' experience in financial advisory, M&A and financial restructuring. Recent transactions he has closed include the acquisition of Frezite, a family-owned polycrystalline diamond (PCD) tool manufacturer by Sandvik; the fundraising for Fapajal, a Portuguese tissue paper producer; the acquisition by the management team and ActiveCap of the participation held by Haitong in Nexxpro, a helmet producer for the motorcycling sector; the shareholding restructuring of Sanindusa, a leading Portuguese sanitary equipment group, with the private equity firm Iberis Capital; and the sale of Bio2, a petcare wholesaler, to Alliando Group, a French distributor of veterinary products.



✉ **NIKOLAOS KARABELAS**

Partner  
Sweden  
T: +46 8 459 82 40

Nikolaos has been involved in the execution of M&A deals across a broad spectrum of industries, ranging from healthcare and TMT to industrials. Notable deals he has advised on include the sale of The Multi Group to 500.com; the sale of Eventus to Lichtenstein-based Hoval AG; the sale of Nolato Hertila to UK-based Essentra Plc; the sale of Cobolt to Germany-based Hubner GmbH; Nolato's acquisitions of Switzerland-based Treff AG and US-based GW Plastics; and Sandvik's acquisitions of US-based Dura-Mill Inc., Wetmore Tool & Engineering and Melin Tool Company, and the cutting tools division of Mexican QCT.

"We are delighted to have assisted NIBE in this strategic acquisition, which significantly strengthens its position in the important and growing Iberian market for pellet- and wood-fired heating solutions. We would like to thank the NIBE team for the vote of confidence and extend our congratulations on the acquisition."

**JOÃO BEIRÃO**  
MANAGING PARTNER, OAKLINS

## OAKLINS HAS CLOSED 311 DEALS IN ENERGY

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

# Oaklins

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