



THE RIGHT MOMENTUM FOR THE FLEET MANAGEMENT INDUSTRY

Deal snapshot

- Oaklins' Italian team advised the shareholders of W.A.Y. Srl, a leading Italian fleet management and geolocalization group, on the sale of a significant stake in the company to Telecom Italia Digital Solutions, the digital division of Telecom Italia SpA and the market leader in telecommunication services in Italy and Brazil.
- Telecom Italia, with a turnover of US\$23 billion and an EBITDA of US\$9.5 billion in 2014, provides fixed and mobile telephone and internet services.
- W.A.Y. sells and rents geolocalization devices to transportation and logistics, insurance and telecommunication companies. W.A.Y. customizes more than 400 solutions to their clients in order to match their diverse needs.



What our client said

Massimo Marchetti, CEO, W.A.Y. Srl, Italy

“Partnering with Telecom Italia is a unique opportunity for W.A.Y. to boost our growth in the domestic market and abroad, leveraging on new technological and commercial synergies that are likely to be generated from now on. The valuable and continuous advice of Oaklins' team in Italy has been crucial in negotiating and closing the deal with a blue chip company like Telecom Italia.”

Our role in the transaction

Oaklins' specialist team in Italy advised the shareholders of W.A.Y. exclusively on the divestment of a large stake in the company to Telecom Italia Digital Solutions, providing detailed process knowledge and structuring advice.



Market trends and deal drivers

- 2014–2015 has seen a continuous aggregation of domestic players active in fleet management and geolocation, which have mostly been acquired by large corporations. Noteworthy recent transactions are Vodafone's (UK) acquisition of Cobra, Renova Group's (Russia) acquisition of Octo Telematics and Fleetmatics' (USA) acquisition of Visirun.
- Deals are driven by diverse needs:
 - Players already active in the fleet management sector are acquiring fleet management companies to cover a new geographic region and absorb the target's client portfolio.
 - Players whose core business is slightly different from fleet management are acquiring companies in the sector in order to expand their business model.

M&A valuation aspects

- Discounted cash-flow methods can be applied in the industry. Such standard methodologies have to be cautiously implemented in order to fit in with specific aspects of the sector:
 - This is a capital intensive business, based on acquisitions of black boxes and devices that are mainly rented to clients.
 - The quality and quantity of the customer base have to be considered as a key valuation parameter.
 - Intellectual property and fleet management software are a premium asset to be evaluated separately.
- Fleet management can be considered a booming sector. Therefore, the implied EBITDA multiples are at the higher end of the single digits, and in some cases double digit multiples can be applied as well.

Oaklins industry expert



✉ Davide E. Milano, Partner, Oaklins, Italy

Davide was a key member of the team that led the transaction. He has considerable experience and has advised many clients in various sectors. "We are pleased to have advised such an innovative and thriving company as W.A.Y. Fleet management is an industry where expectations are very high. Telecom Italia will bring important resources that we are sure will benefit W.A.Y.'s growth, with positive effects on both employment and innovation."

OAKLINS HAS CLOSED 163 DEALS IN TECHNOLOGY IN THE LAST FIVE YEARS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.