




Main Headlines

Computer: Hardware

[Eurotech scanning the market for acquisitions; keen on expanding in software services and in Russia, CFO says](#)

 **Proprietary Intelligence**

Headline :	<p>Eurotech scanning the market for acquisitions; keen on expanding in software services and in Russia, CFO says</p> <p> Proprietary Intelligence</p>
Main body :	<p>Eurotech, the Italian listed computer miniaturisation solutions provider, is currently scanning the market to find appealing targets, finance director Sandro Barazza said.</p> <p>The High Performance Computer (HPC) specialist worked on the development of synergies and economies of scale between the various companies it had acquired in 2007. Now that the integration process is quite advanced, the group is ready to start acquiring again, Barazza indicated.</p> <p>“We are at the window, ready to seize opportunities, but so far, we haven’t identified any,” he said. The company is still advised by Mediobanca to build its financial strategy. The CFO said current market instability makes it hard for them to assess interesting dossiers.</p> <p>On the financing of an eventual transaction, Barazza said Eurotech increased its cash flow from EUR 30m to EUR 38m this year. He specified that this liquidity could be used to finance small buys this year. In the case of significant deals, the company would raise money on the market. Eurotech has currently about 77% of free float. Italian space and defence group Finmeccanica is still the main minority shareholder with 11% interest.</p> <p>Eurotech would consider taking over software developers. “We specialise in middleware solutions, therefore, acquiring a non-middle ware product would be interesting. It would complete our present technological expertise,” Barazza said.</p> <p>In a previous interview with this news service, Eurotech’s CEO Roberto Siagri said the company would be interested in expanding in businesses areas “closer to the final customers” in the future. Barazza confirmed this strategy was always</p>

up to date.

The Italian, Amaro-based company would be interested in increasing its footprint in Russia and its neighbourhood through acquisitions. It has just signed a collaboration agreement with Russian company RSC SKIF, the Program Systems Institute of Russian Academy of Science and US computer firm Intel. This strategic partnership aimed at providing cutting-edge technologies, would enable Eurotech to access Russia's supercomputers' growing market faster. According to Barazza, HPC is a strategic know-how for Russia. He said this market would be worth USD 400m in the next few years. "Supercomputers are instruments for gaining superiority, both in economics and in technology. Emerging countries like Russia are very keen because it enables them to catch up faster with Western players," he said.

Eurotech's technology is mainly used by scientists carrying out academic research. However, the company is now considering expanding its client's portfolio by providing HPC services to industrial companies. Barazza indicated Eurotech was targeting sectors that are less exposed to the economic cycle, such as defence, space and pharmaceuticals.

Eurotech reported consolidated sales of EUR 91.7m in 2008, up 19.9% from 2007. The gross margin was approximately 54%-55% of sales, compared to 49.8% in 2007.

by Sophie Sassard

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See recently announced transactions in the (sub-)sector in the last six months

League Table of top financial advisors to the sector in the last 12 months.

	Bidder: Eurotech s.p.a.
Source :	mergermarket
Size :	30m < (GBP)
Value :	34 m GBP (budget for M&A)
Stake Value :	more than 30% inclusive
Grade :	Confirmed
Alert :	blackberry