Lagardère Services has now completed its deal with SAVE S.p.A.



Lagardère Services has now completed its deal with SAVE S.p.A, establishing a 50/50 'industrial partnership and business combination' concerning Italian F&B and retail subsidiary, Airest.

When *TRBusiness* spoke exclusively with Lagardère Services CEO Dag Rasmussen in Paris last year, he said: "[This deal] works in synergy with our operation in Rome. Together these contracts give us a good foothold in Italy."

Airest is a subsidiary of SAVE operating in Food & Beverage and Travel Retail, managing more than 200 points of sales in 11 countries, including in Venice Airport. In 2013, Airest Group generated €216 million of sales (+9% vs 2012), with €13 million of EBITDA (+16% vs 2012).

As already reported by *TRBusiness*, the agreement includes a future reorganisation of Airest Group through a de-merger of all Italian and International Activities that will be transferred to a newly incorporated company (Newco), excluding the Venice and Treviso airports food & beverage and travel retail activities, which will remain in Airest. Lagardere Services and SAVE will jointly own 50% of the Newco and 50% of Airest.

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TRBusiness spoke exclusively with Lagardère Services CEO Dag Rasmussen in Paris.

## **PUT AND CALL OPTION**

Regarding Newco, the agreement provides for a 'Put and Call Option' (which can be exercised until 31 December, 2016) on SAVEs 50% stake in Newco.

Regarding Airest, the 50/50 partnership between SAVE and Lagardère Services will remain in place. "This combination guarantees a long-term commitment to the joint industrial project of developing together the Venice Airport food & beverage and travel retail activities," says the retailer.

Airest Group has been valued at €110 million on a debt-free, cash-free basis (Enterprise Value). This Enterprise Value is based on the normalized EBITDA (adjusted from non-performing stores closed during the year 2013 and new concessions won).

Based on normalized net financial position as of 31 December 2013, the purchase price for 50% of Airest Group is €24,5m. According to the agreement, Airest reimbursed €42m of Shareholder Loans to SAVE after

Lagardère Services has now completed its deal with SAVE S.p.A. receiving an equal amount from LS as a new Shareholder Loan.

"This agreement is in line with SAVEs strategy to strengthen the focus on airport management operations," says Lagardère Services. "The recently signed Contratto di Programma has unlocked an important infrastructural investment plan in view of the formation of a single airport system for the North East of Italy."

Through this combination Lagardère Services accelerates its development in Travel Retail notably in the foodservice business thanks to Airests presence in several key airports and consolidates its Italian Travel Retail operations.