



[Print](#) | [Close Window](#)

Poste favourite to acquire Pioneer: analysts

By Anna Devine 31 October 2016

Poste Italiane, the Italian financial and postal services firm, is considered the favourite in the race to acquire Pioneer Investments, according to analysts.

Poste leads a consortium that also includes Anima Holding, the local asset manager in which the Italian firm owns a stake, and Italian bank Cassa Depositi e Prestiti.

Andrea Corvatta, financial analyst at FinLABOsim, says the consortium is “the favourite” bidder for Pioneer. Amundi, Aberdeen and Macquarie have also made bids.

“The deal would make sense from both a strategic and a political perspective,” he says.

Experts say Poste has been showing a growing interest in the asset management sector, reflected in its purchase of a 10 per cent stake in listed Anima last year. It has also stepped up efforts to sell customers financial products in its 13,000 branches.

Mr Corvatta says: “A successful deal [with Pioneer] would create a leading asset management group with a strong and capillary presence on the Italian market.”

Pioneer is currently the second money manager in Italy with about €220bn in assets under management. The firm’s owner, UniCredit, put it under review in July following a failed merger with Santander Asset Management.

“[Combining this with Poste’s branches] would generate relevant synergies that could allow UniCredit to sell its stake at an optimal price,” says Mr Corvatta.

From a political perspective, a deal between Poste and Pioneer would also ensure “one of the leaders of the Italian asset management industry” stays in domestic hands, he adds.

A person with knowledge of the situation says: “Poste really wants to acquire Pioneer so I think they will get it. Why would the Italians let Pioneer be sold to a foreign firm? I don’t think that would happen.”

Enrico Esposti, equity analyst at Banca Akros, says other suitors are also well positioned to buy Pioneer but Poste is his frontrunner for both business and political reasons.

“Poste Italiane is in the best position because they would like to improve their presence in asset management, as described in their business plan,” he says.

If a deal is struck between Poste and UniCredit, Italian government-owned CDP would hold a large stake in Pioneer, he adds.

“Political pressure could be applied,” says Mr Esposti.

Some experts believe that Poste will have no problem in securing financing for Pioneer. Last week it emerged that the group had struck deals with a series of banks to secure a €2bn bridge loan to facilitate its bid.

However, others believe Pioneer's price tag could still be a hurdle before Poste achieves its ambition.

Mr Esposti says "it could be dangerous" if bids grew to €4bn.

Farhad Moshiri, equity analyst at Alphaville, says: "Given the number of bidders, €3.5bn would be a fair price."

Mr Esposti agrees, saying that anything above this would reduce "the possibility to create value".

He also does not think Jean-Pierre Mustier, UniCredit's new chief executive officer, will be swayed in the process by politics.

"At the moment UniCredit is going to realise the best price to improve its capital position," he says.

The price will be the leading factor when choosing Pioneer's next owner, he says.

Mr Corvatta adds that another "crucial point" to whether Poste could secure Pioneer is "the scrutiny of the European Union, given the implicit intervention of the Italian state via CDP".

Ignites Europe is a copyrighted publication. Ignites Europe has agreed to make available its content for the sole use of the employees of the subscriber company. Accordingly, it is a violation of the copyright law for anyone to duplicate the content of Ignites Europe for the use of any person, other than the employees of the subscriber company.

An Information Service of Money-Media, a Financial Times Company