EPM Group companies sign agreement with Odinsa for the sale of 100% of TICSA shares

EPM Capital México S.A. de C.V. and EPM Latam S.A., companies belonging to EPM Group, signed a contract with Odinsa S.A. for the sale of 100% of the shares of Tecnología Intercontinental, S.A.P.I. de C.V. (TICSA), a Mexican company specializing in the design, construction, operation, and maintenance of water treatment systems.

The enterprise value of the transaction is up to MXN 2,905 million, equivalent to approximately COP 609 thousand million, according to the prevailing exchange rate. The equity value of the transaction is up to MXN 1,598 million, which represents about COP 335 thousand million.

The current status of negotiations between the companies allows for the signing of the share purchase agreement. However, to complete the closing of the transaction, compliance with a series of conditions precedent will be necessary, including approval by the National Antitrust Commission, the Mexican competition authority, as well as other conditions precedent that, for their fulfillment, require joint work among buyers, sellers, and other third parties involved, therefore a degree of uncertainty remains in this regard.

Since 2021, EPM Group had been evaluating alternatives to improve TICSA's performance and optimize its corporate portfolio. In line with this strategy, at the end of 2023 it was decided to proceed with a total divestment process through an open and competitive sale, to which 33 potential strategic investors and funds from Canada, Colombia, Spain, France, the United States, Japan, and Mexico were invited, some of them with operations in Mexico and other Latin American countries. Finally, Odinsa submitted the best offer and was selected for the final phase, which culminated in the signing of the share purchase agreement.

"At EPM Group, we are adjusting our investment portfolio to focus our human and financial resources on those markets and projects where we have the greatest opportunities for growth, value creation, and sustainability. TICSA is a company with proven technical capabilities and an outstanding track record in the water sector which, in the hands of a manager such as Odinsa, with significant investment capacity and proven experience in structuring, operating, and maintaining infrastructure assets, will be able to boost its development and expansion," said John Maya Salazar, CEO of EPM and leader of EPM Group.

In 2013, through a capitalization that allowed it to acquire a majority stake, TICSA became part of EPM Group, making it the first international company in the group's water sector. Subsequently, in 2019, 100% of its shares were acquired. To date, TICSA has built and operated more than 160 water treatment plants, consolidating its experience and technical leadership in Mexico and other markets.