



An Environmental Due Diligence and Permit Assessment for a portfolio of manufacturing sites

Client's objectives

A Private Equity firm was interested in acquiring a portfolio of more than 50 construction material manufacturing sites in the US and UK. The vast majority of these sites had a very long industrial use, many with a legacy of more than 40 years.

The client wanted to quickly understand the potential environmental risks and liabilities associated with the sites in order to support their initial bid for the portfolio.

The project

Under very short timeframes, an Environmental Due Diligence (EDD) assessment was undertaken, including data room reviews and site visits at target sites across the portfolio. This included an evaluation of the permitting situation, with regards to raw material supply and current operations, as well as identification of historical environmental liabilities.

Key services delivered

- » A data room review of their sales pack, including an assessment of the seller's Environmental Due Diligence reports.
- » A high-level environmental permit review.
- » A summary of any key, high-risk findings in a short table overview, along with expected associated costs that could impact the value of the portfolio.
- » Site visits to ten high-risk sites in the US and UK for further assessment and clarification of potential risks and liabilities.

- » Participation in questions and answers sessions between buyer and seller, enabling quick and direct responses to open questions within the due diligence process.
- » Revision of the high-risk findings and associated costs.

Key project outputs

A short summary table highlighting the high-risk environmental items and associated costs with the potential to impact the value of the portfolio was produced. This gave the client a bespoke, simple and easy overview of the findings in order for quick decisions to be made.

Project impacts

Significant environmental risks of a eight-figure magnitude were identified during the assessment. In particular, this included complex and partly unclear permit situations, as well as balance sheet inaccuracies and problems associated with the land deeds. Some of these issues had been missed from the information provided by the seller and highlighted important risks to support our client's negotiations.

The assessment helped to highlight the liabilities and associated costs for the buyer and provide a solid basis for the commercial negotiations.

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