

19 Nineteen Messine

NEWSLETTER
MAY 2017

Impact of Brexit on M&A's across the Channel

by Giuseppe Sangiovanni

Partner, Director Energy & Cleantech, LINKERS

CONTENTS

From the Helm... p.1

Impact of the Brexit on M&A's across the Channel
G. Sangiovanni, LINKERS

In our Element... p.2

Successful Missions

Pratique Group

Playdigious

B Live Group

MPH Group

Azeo

France Air

Loxy

Climpact-Metnext

Raid 4L Trophy

Captain's Log p.3

Testimonials

G. Zurek and C. Salaün, SVD

Missions in progress

On board with...

D. Colombier, MesOpinions.com

Over the Seas... p.4

21 operations in 2016

M&A WW Forum in London

Cross-border Missions

International Network

Our Crew

Headquarters:

19, avenue de Messine
75008 Paris, France
www.linkers.fr

The Brexit process officially began on Wednesday 29 March 2017:

With the hand-delivery of a letter to Donald Tusk, the President of the European Council by Tim Barrows, the British Ambassador to Brussels, the United Kingdom activated the procedure to leave the EU after the 51.9% "Leave" victory following the 23 June 2016 referendum.

The procedure is defined by article 50 of the Treaty of Lisbon which allows for a two-year period, which can eventually be extended, to establish the terms of and method for leaving the EU.

Among the many complex questions to be dealt with during this period, we feel that three of them should be prioritized:

- inseparability of the "four freedoms" within the single European market concerning labour, capital, goods and services; in other words the repeal or limitation of one would also apply to the others;

- the rights of the approximately 3 million EU citizens residing in the UK and inversely, those of the 1.2 million British citizens living in EU countries;

- border management of Northern Ireland and Gibraltar: with a particular focus on the stability of the Good Friday Agreement in Northern Ireland, which safeguards peace between the catholic Nationalists and the protestant Loyalists.

Brexit is often seen as a veritable divorce, however, if Tony Blair's opinion of the British perspective is

believed, there is a notable difference: "Divorce resolves problems that you had when you were together and you won't have separately; Brexit means finding answers to problems that you didn't have together but will have when separated".

Questions and uncertainties arising from Brexit will boost M&A activity in the UK.

Since early this year, UK merger and acquisitions market activity has been spectacular. The first quarter of 2017 saw the highest transaction volume since 2012 with about €90bn as compared to €35bn during the same period last year according to Bloomberg.

Several transactions involved the purchase of continental businesses by British companies. On the basis of these figures and in agreement with certain City bankers, we estimate that the period of uncertainty triggered by Brexit has incited a number of British companies to consider that most reliable and attractive growth leverage is in external growth.

Furthermore, British companies, particularly the largest, have been the object of growing interest from industrial and financial, European and international investors as evidenced by the (failed) Heinz-Kraft Group attempt to acquire Unilever for £115bn.

In reality, the interest in British businesses and assets has been catalysed by the depreciation of the

pound (a drop of more than 15%) following the referendum and which several analysts feel is expected to continue.

The drop in the GBP along with some favourable economic signals has already intensified and boosted acquisition operations in the UK mid-cap sector, according to Epsilon-Research/Corpfin Deals.

Therefore, despite the uncertain environment generated by Brexit, we note that the OECD has recently increased the UK growth forecast. GDP is now expected to reach 1.6% in 2017 (compared to 1.8% in 2016) due to strong household consumption and the industrial recovery plan aimed at high value-added sectors, notably nuclear power, announced by Theresa May.

Brexit could frustrate efforts of big London-based private equity funds to raise capital.

A large majority of the capital raised by British PE funds (about 90%) comes from abroad, mainly from continental Europe. Potential limitation of free circulation of labour and capital on both sides of the Channel is liable to discourage European investors from injecting new capital into these funds.

In conclusion, Brexit will raise some very complex issues during the next two years, however it could also contribute favourably to the mergers and acquisitions market and provide opportunities for French businesses.



Successful Missions:



Internet Video Acquisition

The PRATIQUE Group (pratique.fr, 118000.fr, info-brocantes.com, bricoleurdudimanche.com...) has just acquired the Pratik site and its YouTube channels with over 3,000 video tutorials answering all sorts of practical questions; the videos have over 4 million views per month and 300,000 subscribers. This acquisition confirms Groupe PRATIQUE's position as a media leader of life skills training with more than 9 million visits and views per month.



Advisor to the Buyer
Nicolas du Rivau

IT / Adtech Fundraising

PLAYDIGIOUS, created in 2015 by Xavier Liard and Romain Tisserand and based in Nancy and Montreuil, has raised 600,000€ with Finovam, BPI, Caisse d'Epargne Lorraine Champagne-Ardenne and Cédric Chanal (Criteo / co-founder of AdQuantic). Somewhere in between an advertising agency and Cloud Gaming, this start-up is currently working to develop Adtrial, an innovative service for trialling mobile games directly within the ad window without prior downloading.



Advisor to the Company
Benjamin Le Guillou

Sound, Light & Video Acquisition

B LIVE has finalised the acquisition of TRANSPALUX Group (turnover €30M, 150 employees), leading French provider of specialised technical services for the cinema industry. This is B LIVE's 7th acquisition in 2 years, with the support of Trocadéro Capital Partners and Paluel-Marmont Capital. This has doubled the size of the group which now has a €60M turnover and 270 employees.

B LIVE has developed unique position for itself by aggregating the

principal technical professions serving live performance, audio-visual, events, and now the film industry.

Advisors to the Buyer
Philippe Delecourt
Sidney Serval

Energy, Oil & Gas Acquisition

MPH group, with its subsidiaries, Measure Process and XL Techniques, is the leader in France for optimisation and maintenance of solutions for storage and distribution of petroleum products.

With the acquisition of Cognac-based ERETI, specialising in systems for the exploitation and transport of gas within the industry, the group (16M€ turnover, 80 employees) has reinforced its position in natural gas distribution for vehicles.

Advisor to the Buyer
Giuseppe Sangiovanni

Digital Service Acquisition

AZEO, a digital services enterprise located in Boulogne-Billancourt, Aix and Nantes specialising in the Microsoft business platform has acquired NEOTECH SOLUTIONS, a Microsoft technologies specialist based in Bordeaux, Toulouse and Rabat, to form the first French independent Microsoft pure player (turnover €17M).

The new group has positioned itself as a consolidator of small IT Services companies in this market.



Advisor to the Buyer
Philippe Laurent
Florent Coudray

Air Handling Acquisition

FRANCE AIR Group, created by the grandfather of the current CEO, Oliver Dolbeau, is the leading air handling company in France (turnover €137M, 550 employees). It distributes air systems that are

designed internally but which are generally subcontracted out for construction to a large clientele of installers. Their market is in tertiary and industrial buildings, health care establishments and communal housing. AIRSUN is FRANCE AIR Group's 6th operation this year of which four were on the international stage. AIRSUN has a 5M€ turnover in natural smoke ejection material, containment screens and zenith lighting.

Advisors to the Buyer
Philippe Delecourt
Sidney Serval

WEEE Recycling Sale

The SPB Group (€278M turnover and 2,000 employees) is leading European affinity insurance and services provider.

For strategic reasons the group has given majority control of its affiliate LOXY (€5M turnover, 43 employees) to the managers. The Val-d'Oise based business, adapted to accommodate disabled workers, recycles and valorises digital and electronic waste - Category Waste Electronic & Electrical Equipment (WEEE).

Advisor to the Vendor
Philippe Delecourt
Giuseppe Sangiovanni

Weather Business Intelligence Sale

CLIMPACT-METNEXT specialises in long to medium term meteorological forecasting and in the evaluation of its impact on its client's business processes in the Energy, Industry, Agriculture, Insurance and Retail sectors.

Company shareholders (Management and Elaïa, NextStage and Bpifrance Funds) are transferring all capital to the quoted Japanese group, WEATHERNEWS International, which provides meteorological information and services.



Advisor to the Vendor
Giuseppe Sangiovanni
Jérôme Luis

Raid 4L Trophy - February 2017:

In February, 2 teams sponsored by LINKERS set off on an adventure through the sand dunes of Morocco, including the famous Erg Chebbi dunes near Merzouga, as part of the biggest student rally in Europe!

The 4L Trophy celebrated its 20th anniversary this year with 1440 vehicles in all the colours of the rainbow!

Two students from the ESSCA, Antoinette Fine and Agathe Desplats, in their yellow 4L finished 57th overall and 11th among the female contingent. Our second team of 2 students studying dental surgery at Marseille, Maxime Clarysse and Julie Féraud, driving a white 4L, overcame numerous mechanical trials and tribulations to finish 967th overall. Congratulations to all 4 of them!



Entrepreneurs' Testimonials:

G rard Zurek and Christophe Sala n, founding directors of SVD, sold to EXERTIS

Once upon a time there were two entrepreneurial and business-oriented men who each created a company that distributed video surveillance and sound system material, one in Bordeaux and the other in Paris. They met in 2010, got on well from the start, and rapidly became aware of their shared visions and professional complementarity. They merged the 2 companies to create SVD with a turnover of more than  20M before finally selling to EXERTIS, a subsidiary of the European distribution giant DCC (Ireland- 11bn turnover) in late 2016.

Do you have any regrets about selling your creation to someone else?

G. Zurek: *Well, of course it feels odd to let go of a business that was a part of my life for so long, but above all I am proud of what we accomplished and happy that our 'baby' is in good hands.*

You are still heading up the team, what a huge challenge!

C. Sala n: *Yes, our objective is to accelerate the development of SVD's video surveillance and sound systems activity in synergy with CUC, a subsidiary of EXERTIS specialised in IT connector technology.*

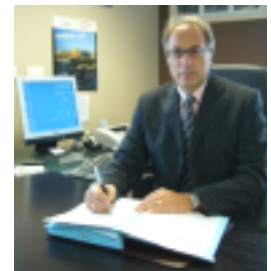
It was one of the principal reasons you were chosen...

G. Zurek: *Effectively, among the various proposals we received from B2B distribution groups, the one put forward by EXERTIS had the the most potential and also respected our company's identity and autonomy.*

How did you manage to reconcile running the day-to-day business and the transfer process?

C. Sala n: *The only way it can be achieved is with the help of an experienced advisor who can manage the various transaction phases, confidentially and over a period of several months.*

G. Zurek: *In this respect, the LINKERS team, Philippe Delecourt and Sidney Serval, deserved our trust and we are very satisfied with the way they led the negotiations, which were in English.*



G rard Zurek
CEO of SVD



Missions in progress:

Ref.	Buy-side Mandates
A255	Undergraduate Training
A271	Travel Agency
A272	White goods for Hyper & Supermarkets
A279	Specialist veterinary products manufacturer: medication, food supplements, medical apparatus

Ref.	Buy-side Mandates
A773	Industrial Cleaning
A868	B2B Climate Control Distribution
A976	Wealth Management Advisory Services
A977	Insurance Brokerage
A978	Climate Control/Refrigeration maintenance

LINKERS deals mainly in sell-side opportunities. For reasons of confidentiality no information on these transactions is divulged before they are finalised.

On board with...

Didier Colombier: The entrepreneurial Spirit

Didier Colombier co-founded Oxygem Media in 1998 and sold it to M6 in 2015. This serial entrepreneur agreed to answer questions by Nicolas du Rivau, a LINKERS IT partner, who just advised on the sale of MesOpinions.com.

What inspired you to become an entrepreneur?

D.C: *Vianney Poissonier and I decided to venture into the world of the Web when we created Oxygem in 1998. At the time we wanted to explore the possibilities of a new, rapidly growing sector.*

As a result of the 2001 internet bubble, we had to restructure the group, regroup our employees and concentrated on our two key activities: Media and Service.

After about 15 years of entrepreneurial activity we decided to sell the company ( 12m turnover, more than 100 employees) to the M6 group.

So you decided to switch to the other side of the table?

D.C: *Yes, I joined an investment fund to make my expertise available to other entrepreneurs and also to experience the entrepreneurial cycle from a different perspective, through capital investment.*

But it wasn't enough. Something was missing, the adrenalin, the creative aspect, perhaps both. One thing was certain, I needed to go back to entrepreneurial creation.

Starting from scratch or a buyout?

D.C: *With 15 years of experience behind me, I knew the Web and Data sector very well. Obviously I needed to look for ideas in this sector to undertake a new company. So I bought out a Web Data and Media start-up: MesOpinions.com, the first French online petition site. This is a way of developing a media form to promote civic involvement: an adventure that has meaning... what more could one ask? Once again I am enjoying the same sensations I felt when I first began! Thank you LINKERS!*



Didier Colombier
CEO



Over the Seas and Far Away...



LINKERS closed 21 Operations in 2016 !

For the 7th consecutive year, LINKERS is among the top independent M&A boutiques: N°2 for the number of operations "M&A Corporate" - CFNews 2016 ranking, and Silver Trophy for Leaders In Finance in the

"Investment Banking category: Best Growth Dynamics".



Philippe Delecourt
General Partner, LINKERS

Notice of Race:

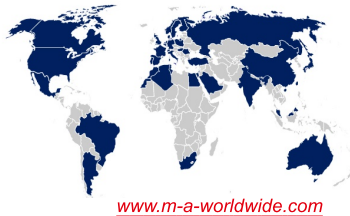
The LINKERS OPEN International de Deauville Race unites Dragons from all over Europe from the 23 to the 26 of June. Who will defeat Pol Hoj-Jensen, the Danish double Olympic champion who won in 2016 racing on his very elegant 'Danish Blue'?

Join us on the celebrated Deauville Boardwalk where we will be watching the yachts glide delicately round the buoys in the waters opposite.

Cross-border Missions:

SALES: CEMM THOME to AMPHENOL (USA); AGIS-Di Pasto to TER BEKE (Belgium); FRANCE HYBRIDES to HENDRIX Genetics (Netherlands); CORIANCE to A2A (Italy); ECONOCOM Switzerland to LEASE-IT (Germany); LA CELLULOSE to CIN (Portugal); AXYS to META 4 (Spain); TISYS to ULTRA Electronics (GB); ELYSEES WEST to HOTUSA Hotels (Spain); FILEC to AMPHENOL (USA); EBOUTIC to MAUS (Switzerland); GENETEL to ANITE (GB); PACKINOX to ALFA LAVAL (Sweden); CLIMPACT-METNEXT to WEATHERNEWS (Japan); SVD to EXERTIS/DCC (Ireland)...

ACQUISITIONS: IBRAMS (Germany) and BRAND PROJECT (Sweden) by WEDIA; PC GARANT (Germany), CITYMAIN (GB) and CAP PROTECTION (Belgium) by SPB; FRÖHLICH und WALTER (Germany) by CUC; PRATIKS (Germany) by PRATIQUE Group...



Upcoming M&A Worldwide Convention in **LONDON** : 18-19 May 2017...

International Network:

LINKERS draws on the experience of its consultants to assist companies from all sectors and offers them personal advises concerning:

- **Financial Engineering & Valuation:** fairness opinion, LBO, MBO, MBI & OBO packages...
- **Mergers & Acquisitions:** buy-side or sale-side mandates...
- **Fundraising:** search for external funding, shareholders' agreements, management packages...

- **Algeria:** Emergence North Africa
- **Argentina:** Finanzaz & Gestión
- **Australia:** Johnsons Corporate
- **Belgium:** Omnicap
- **Brazil:** Cypress Associates do Brasil
- **Bulgaria:** Innimmo Advisers
- **Canada:** Robbinex
- **China:** Morgen Evan Advisory
- **Denmark:** Gigno
- **Egypt:** FinCorp Investment
- **Finland:** Armatori Corp. Finance
- **France:** LINKERS; MBA Capital
- **Germany:** Active M&A Experts; S&P Mergers & Acquisitions
- **Hong Kong:** SCS Global
- **Hungary:** International M&A
- **India:** Corporate Catalyst India
- **Israel:** M&A Team
- **Italy:** Avvalor Corp. Solutions; Bridge Kennedy International
- **Japan:** SCS Global Consulting KK
- **Luxembourg:** T&T M&A
- **Malaysia/Singapore:** SCS Global
- **Mexico:** Corp. Finance Services
- **Morocco:** Actipar
- **Netherlands:** Aeternus BV; T&T M&A Transactions
- **Norway:** DHT Corporate Services
- **Poland:** Capital One Advisers; JP Weber Investments
- **Portugal:** Fingeste Business
- **Romania:** FRD Center
- **Saudi Arabia:** Amwal
- **South Africa:** IBN Consulting
- **Spain:** ARS Corporate
- **Sweden:** Stockholm Corp. Finance
- **Switzerland:** Adbodmer Capital
- **Thailand:** PYI Capital Company
- **Tunisia:** Emergence North Africa
- **Turkey:** Crossborder Corporate
- **UK:** Bluebox Corporate Finance; Rickitt Mitchell & Partners
- **Ukraine:** America 2030 LLC
- **USA:** Focus LLC
- **Vietnam:** PYI Capital Company

Our Crew:



N. du Rivau P. Laurent J. Luis S. Serval M. Belbéoc'h D. Busquet
P. Delecourt M. Fine G. Sangiovanni B. Le Guillou F. Coudray



19, avenue de Messine
75008 Paris, France
Tel. +33 1 53 53 59 30
www.linkers.fr

