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NEWSLETTER
MAY 2014

ENERGY ARENA IS HOT!

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SUMMARY

Editorial p.1
Energy arena is hot!
G. Sangiovanni

Current events... p.2
Recent deals

Adhrena
Courrier Plus
ADT International
Milky
SPB
Cases Home
CUC

Log book p.3
Welcome on board
LINKERS Energy & Cleantech

Ongoing local missions
Notice of Race
LINKERS-Deauville International
Open: 27th to 30th of June 2014

Overseas... p.4
A French-German team
Cross-border deals
International Network Team

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Since the beginning of the year in France the M&A market is impressively gaining traction! In 1Q14 the volume of announced transactions rose 153% on a year-on-year (YOY) basis according to Thomson-Reuters data. While this volume has been boosted by the takeover bid of Altice / Numericable on SFR (€13.5 bn) many industrial sectors underpin such a trend.

The energy and power sector is booming

In this context, the energy and power sector is the fourth on a volume basis thanks to €3.7 bn of volume of announced transactions. This sector is also in the limelight because of the current political tension between Russia and Ukraine and the relative issues on the Europe security of gas supply.

Currently near 30% of European natural gas imports come from Russia with a very different share among European countries: France imports about 15% of its needs, Germany 40%, East-Europe countries more than 50% and Baltic countries more than 90%. While European countries can address possible supply disruptions of Russian gas by using strategic reserves and by diversifying imports, in both cases, we believe it's crucial to ease interconnections and increasing gas exchanges among European countries and in particular between the North and the South of Europe.

This stresses the **importance of gas transport infrastructures** and pro-

vides the first driver of the clear interest for these assets. Other 2 major drivers are:

- **the EU pressure** to unbundle the activities of production from those of transport in gas suppliers and utilities (delicate issue in France);
- **the financial attractiveness:** gas networks as power networks are regulated infrastructures providing steady and relatively secured cash flows that appeal institutional investors.

Major recent M&A transactions in the sector:

As concerns gas networks, last summer, a consortium led by SNAM and including GIC and EDF acquired TGIF, a subsidiary of TOTAL, for €2.4bn. In March, SNAM announced its intention to buy 89% of TAG, a gas pipeline bringing Russian gas in Italy through Austria. Moreover, GDF-Suez has started discussions on supplying gas to Ukraine, which sets the framework for potential operations on gas infrastructures between France and Ukraine.

On the front of electricity networks, from few months there are market rumours about the intention of EDF to sell partially RTE, its transmission network. In Finland, on last December, Fortum Oyi sold its distribution network for €2.55bn to a consortium of investors led by Borealis and First State.

Other M&A hot territory: the Industrial Services market driven by the segment of industrial maintenance.

This market is characterized by a stream of acquisitions typically tar-

getting mid-cap companies with revenues up to €250m. The buyers are very often international groups aiming to enlarge their geographical presence and to expand their service portfolio offer. The industry volumes are principally generated by the business segments of industrial maintenance, which represents more than 50%, technical cleaning, in-house logistics, production support and industrial assembly.

In this market the sector of energy and power takes the lion share thanks in particular to the maintenance, the technical cleaning and the boiler works addressing oil and gas installations, petrochemical facilities and power plants.

Among the major announced transactions in this field we mention the takeover by Jaccard of its subsidiary Bourbon (off-shore oil service company) currently held at 26%.

A sub sector segment is rapidly growing: the nuclear maintenance

After the Fukushima accident the nuclear sector is back on a growth track, driven by the Chinese market. In France, the maintenance issues are deeply linked to those of the decommissioning of nuclear power plants. According to the French Cour des Comptes, the decommissioning is supposed to represent a market size of €32bn (including all installations). We share the opinion of many sector analysts for whom this figure is under estimated at least by a factor 2. Here we are with some sensible matter to keep busy M&A teams specialised in the energy sector!



Recent deals:

Commercial outsourcing Acquisition



Specialised in commercial outsourcing, **ADHRENA** (Revenues of €20m in 2013) completes a fourth acquisition assisted by LINKERS in order to speed up its development in the point-of-sale promotion in the selective circuit. On last February ADHRENA has acquired Esprit Partenaire, a company specialized in the Perfumer and Beauty space. Previous acquisitions: Axiome in November 2012, Acta Event in March 2013 and Selling Attitude in July 2013. Thanks to this fourth acquisition, ADHRENA has reinforced its competences and its business volumes in the commercial promotion, this time in the selective circuit.

Advisor to the Buyer
Philippe Laurent



Mail Services Fundraising



Created in 2004 by S. Gorillot and based in Lille, **COURRIER PLUS** is one of the three French players in the market of Mail services (market size of €7.5bn according to Arcep). On the basis of medium-term contracts COURRIER PLUS assists more than 250 companies in their mail daily management. The company reported a 30% revenue growth in 2013 and expects to double its size in 2014. LINKERS advised COURRIER PLUS on its first fundraising of about €1m from FIP Réseau Entreprendre, belonging to GENERIS Capital Partners.

Advisor to the Fundraising
Benjamin Le Guillou



Translation Agency Disposal

A.D.T. International, created in 1993, is one of the leaders in the French translation market, with €9m of revenues, on a fragmented market whose estimated size is €450m (€11.5bn at world level). In France and Belgium the group relies on a large network of 3,500 freelance translators from all over the world covering 110 language combinations. Its clients are big firms from very different sectors (automotive, pharmaceutical products, electronics, IT...): Nestlé, BNP, Bayer, Dassault Systèmes,

Veolia, Airbus, Alcatel...

In 2004, CREADEV, Family Office controlled by the Mulliez Family, takes the group control aside C. Loison. In order to refocus on four sectors (Environment and Energy, Health, Remote Services, Training) CREADEV entrusted with LINKERS the mandate to sell its majority stake in the group. Giving preference to an internal solution, CREADEV accepted the offer of the group CEO who bought in this way its company through LBO sponsorless.

Advisors to the Vendor
Jérôme Luis, Michèle Fine

Social media Disposal

Expert of the digital environment, **MILKY** (Revenues of €3m) is the architect and project manager of innovative devices based on the social networks (Facebook, Twitter) and mobile platforms. Its clients are Canal +, Pierre & Vacances, SNCF, Nivea, L'Express, Télérama... MILKY is recognized by Facebook as Preferred Marketing Developer. NOVAO, holding of L. Letourmy and T. Viort who are two entrepreneurs very much involved in the digital applications, sells the control of MILKY to HIGH CO. The latter, providing marketing services to brands and large retailers, is listed on Eurolist C/Nyse-Euronext. Its gross margin exceeds €73m in 2013. HIGH CO improves its ability to assist brands and retailers connecting with customers through social networks.



Advisor to the Vendor
Philippe Laurent

Insurances Acquisitions

SPB, a French private independent insurance broker set up in 1965, is the European leader in affinity insurance with a consolidated turnover of €230m and 1,400 employees. The company is specialised in the management of affinity insurance and warranty programmes for large accounts: E. Leclerc, BNP Paribas, Carrefour, Auchan, Cdiscount, LCL, Orange, Darty, Fnac, SFR... SPB-designed programmes span many areas: banking products, mobile and devices, leisure and travel, household items, health, utilities... SPB has acquired CAP Protection, a Belgian broker created in 2005 by

Eddy Staal, in line with its strategy of external growth. SPB Group has acquired height firms/business activities over the past seven years, of which three cross-border, all assisted by LINKERS, acting as M&A advisor, in partnership with members of the International network, M&A Worldwide.

Advisors to the Buyer
Philippe Delecourt, Sidney Servat Björn Voigt (M&A Worldwide)

Modular Construction Capital raising

Created in 2009 by Marc Cases, **CASES HOME** conceives, develops, manufactures and markets a constructive woody modular system providing high energy performances, dedicated to the local authorities, private companies and social landlords. The company benefited from the commitment of the Région Poitou-Charentes in the wood sector and HQE (High Environmental Quality) construction as well as the support of the regional incubator Poitou-Charentes Etincel, the CDA, and La Rochelle University, OSEO and ADEME, Futurobois... LINKERS advised the company management on the fundraising from GALIA Gestion, local investment firm linked to Caisse d'Epargne, €137m under management) and Poitou-Charentes Innovation (shareholders: Région, BPI France and various partners).

Advisor to the Management
Didier Busquet

Distribution B2B Acquisition

CUC, a French wholesale dealer specialist in wiring, networking, connectors has acquired **FRÖHLICH und WALTER**, (Sarrebück) an important and successful distributor of electronic items in Germany. Thanks to this acquisition, CUC Group, dedicated to connectors and wiring, networking and IT products dealers (distributors, retailers, integrators, retail business, big box stores...), with a turnover of €60m, 20,000 clients and 10,000 items available in stocks, steps up its activities in Europe and enters the European market.

Advisors to the Buyer
Philippe Delecourt, Sidney Servat Björn Voigt (M&A Worldwide)



Welcome on board:

We really hit it off to develop the desk LINKERS Energy & Cleantech!

After commencing his career in the international organisations as the NEA and the IEA (OECD) where he dealt respectively with nuclear, fossil and renewable energy issues, **Giuseppe SANGIOVANNI** entered the financial services industry where he led different activities oriented to energy and renewables: financial analysis and equity research in stock markets (Bryan Garnier & Co Investment Bank), project finance up to 100 million euros of project value in the wind and solar sectors (win:pro energy group in Germany) and the advisory activities in M&A boutiques.

Giuseppe is a **multilingual globe-trotter** (he is fluent in 5 languages) who brings his valuable experience (encompassing the spin-off and sales of the power electronics branch of Bruker Biospin, a subsidiary of the international group Bruker, the re-financing of the debt of **Wattsol**, the fundraising and strategy consulting for **O'SiToIT**, etc...) to LINKERS that was already very active in the sector: opening up of the capital of **Environnement SA** (instruments for monitoring ambient air quality and emissions) and of **Yprema** (recycling of materials from decommissioning and of clinkers from municipal waste incineration), LBO and sale of **Packinox** (heat exchangers for the petrochemical industry, former subsidiary of Areva), sale of **Cofatech-Coriance** (district heating, former subsidiary of GdF...)



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Florent Coudray
Analyst
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A new junior analyst on board

LINKERS team welcome a new sailor, in addition a Breton one: **Florent COUDRAY** holds a Master in Finance from Paris-Dauphine University, he had previously done a six-month internship at LINKERS.

Ongoing local missions:

Ref.	Buying Mandates
A255	Education after diploma
A262	Store fitting
A271	Travel agency
A272	Household linen sold by GMS

Ref.	Buying Mandates
A760	Digital solutions for sales
A767	Commercial promotions, management of sales forces
A868	B2B distribution of climate control and electrical products
A969	Internet B2C - B2B

LINKERS financial services are principally provided in the framework of sale mandates, no communication can be done on these mandates for confidentiality reasons.

Notice of race:

LINKERS - DEAUVILLE INTERNATIONAL OPEN: 27th to 30th of June 2014

LINKERS is partner of the Deauville International Open, a session of the **Dragon races' international circuit**, scheduled from the 27th to 30th of June 2014. Upon the 85th anniversary of the first Dragon race, for the first time the Deauville Yacht Club has reserved this race to amateurs only (The First Corinthians Only Trophy).

LINKERS had already associated its name to the Transat 6.5 (solo transatlantic race from La Rochelle to Salvador de Bahia) and now sponsors again a sport event that is **representative of good**

entrepreneurial values: Team spirit and competitive attitude, bravery against natural elements, tactical skills, precision and technical competences, reactive decision-making, authenticity and modernity...

The Dragon, also called "le Voilier des rois" (The Kings' yacht) or "le Roi des voiliers" (blue-blooded racer of the seas) is a sloop rigged keelboat, with a slim hull and open deck. It was designed by Norwegian naval architect Johan Anker in 1929, to address races for 3-man crews.

From 1948 (London Olympic Games) to 1972 (Münich Olympic Games) Dragon was an Olympic Class of boat and the King of Greece, Constantin II won the Olympic Gold in Rome 1960.

The Dragon French Association, created in 1949, is member of the International Dragon Association that organizes races all over the world, from Hong Kong to Finland passing through Australia and Deauville.



A French-German team:

Two examples of successful cooperation between M&A Worldwide members



Philippe Delecourt (LINKERS)
Björn Voigt (Active M&A Experts)



...with Gerald Turner
President of M&A Worldwide

A strict collaboration between **LINKERS and Active M&A Experts** allowed two of our clients to realize acquisitions abroad at the beginning of 2014:

- **CUC** (Câblage Universel Connexion), a specialist of electronic connections and wirings has acquired the electronic items distributor Fröhlich und Walter, based in Sarrebrück (Germany).
- **SPB**, affinity insurance broker leader at the European level, took the control of the specialized broker house **CAP Protection**, based in Antwerp (Belgium).

In both the cases, as in other former collaborations, ACTIVE M&A Experts has taken over on site the mission initiated in France by LINKERS for its clients SPB and CUC.

Björn Voigt, you have finalised these two operations, what are the secrets of such a success?

"First of all a full transparency on all the aspects and details of the mandate and a full mutual trust: LINKERS "puts in my care" its clients and I give my best in the mission.

In addition, I must mention a common business approach to best serve the client, approach finalised over the time, and a constant communication on the deal step-by-step progress.

Finally, even if English is very much common in our business, when the approach and negotiation with entrepreneurs are carried out in their mother tongue, grasping all fine details, that is the best way to get client trust and to succeed in the deal.

Having lived long time in other countries gives me a certain knowledge of the differences at the social, juridical, accounting and above all cultural level, which is important as a transaction always implies emotions and unpredictable reactions during negotiations. The advisory on cross-border transactions is a passionate job.

ACTIVE M&A Experts specialised on this and it's happy to cooperate with LINKERS in the interests of the clients from both sides. In fact, LINKERS also helped us very much at the occasion of a delicate sale mandate for an industrial German client in France.

A very good understanding exists in both directions..., das ist klar!"

Cross-border deals:

SALES: CEMM THOME to AMPHENOL (USA), AGIS-Di Pasto to TER BEKE (Belgium), FRANCE Hybrides to HENDRIX Genetics (Netherlands), CORIANCO to A2A (Italy), ECONOCOM Switzerland to LEASE-IT (Germany), LA CELLIOSE to CIN (Portugal), AXYS to META 4 (Spain), TISYS to ULTRA Electronics (UK), ELYSEES WEST to HOTUSA Hotels (Spain), FILEC to AMPHENOL (USA), EBOUTIC to MAUS (Switzerland), GENETEL to ANITE Plc (UK) ...

ACQUISITIONS: BRAND PROJECT (Sweden) by WEDIA, PC GARANT (Germany), CITYMAIN (UK) and CAP PROTECTION (Belgium) by SPB group, FRÖHLICH und WALTER by CUC ...



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International Network:

- **Austria:** TJP Advisory Services
- **Baltic Countries:** United Partners
- **Belarus:** Capital Times
- **Brazil:** Cypress Associates
- **Bulgaria:** Transacta
- **Canada:** Maxima Divestitures
- **China:** Morgen Evan
- **Croatia:** Grubišić & Partners
- **Denmark:** Nordic M&A
- **Egypt:** FinCorp Investment
- **France:** LINKERS; MBA Capital
- **Germany:** Active M&A Experts
S&P Mergers & Acquisitions
- **Hong Kong:** SCS Global Consulting
- **Hungary:** International M&A
- **India:** Corporate Catalyst India
- **Israel:** Cukierman & Co. M&A
- **Italy:** Avvalor Corp. Solutions;
Bridge Kennedy International
- **Japan:** SCS Global
- **Malaysia:** SCS Global
- **Mexico:** Corp. Finance Services
- **Morocco:** Actipar
- **Norway:** DHT Corp. Services
- **Poland:** Capital One Advisers;
JP Weber Investments
- **Romania:** FRD Center
- **Russia:** Rye, Man & Gor Securities
- **The Netherlands:** T&T
- **Saudi Arabia:** Amwal
- **Singapore:** SCS Global Holdings
- **South Africa:** IBN Consulting
- **Spain:** ARS Corporate
- **Sweden:** Stockholm Corp. Finance
- **Switzerland:** Adbodmer Capital
- **Turkey:** Crossborder Corporate
- **UK:** Precision Corp.;
Rickitt Mitchell & Partners
- **Ukraine:** Capital Times
- **USA:** Focus LLC;
Morgen Evan

LINKERS draws on the experience of its 12 consultants to assist companies from all industry sectors and provides personal advice on:

- **Financial Engineering:** valuations (fairness opinion), MBO's and OBO's
- **Mergers & Acquisitions:** selling and buying mandates, corporate restructurings ...
- **Fundraising:** selection and contact of investors, supervision of legal documentation (shareholders agreements, protocols...)



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