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**FRANCE, A
START-UP NATION?**



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FRANCE, A START-UP NATION?

BENJAMIN LE GUILLOU

Partner, LINKERS

Is France a Start-up Nation?

In November 2018, Emmanuel Macron declared "A start-up nation is a nation where everyone can create their own start-up if they so desire." Considered as a model for development by the French government, the start-up nation has become a political objective in a large number of countries all over the world, in imitation of pioneers such as the USA, China, South Korea, Israel or Canada.

A promising overall dynamic

After a slow start in the 2000s, France has recently resuscitated this objective and the result is quite promising. The nation already has the mindset; innovation-friendly and with a strong eco-system of 10,000 start-ups, of which 1,400 have already raised capital in the past 5 years according to BCG. In addition, France is attracting more and more entrepreneurs: 15.7% of the French population say they intend to found a company in the next three years. This is 30% more than the European (11.9%) or USA (11.9%) average and for the 18-to-29 age-group the percentage rises even more, to 60%.

Having raised more than 3.8 billion euros in the first three quarters of 2019, French start-ups have already outperformed 2018. These numbers are principally the result of a 66% average ticket increase (€9.3m), compensating a 13% decrease in the number of operations.

Some weaknesses persist

This trend needs to be put in perspective, however, because France is still a laggard in the domain. The increase in the amount of funds raised is a global trend in Europe, and France is still behind Britain and Germany. Although it is catching up, there are still weaknesses impacting French start-up financing:

- The average ticket of capital raised remains below the European average (€10.7m). Despite recent funding of Meroo, Doctolib and even Wefirst, investments in series C, D (above €30m) and pre-IPO investments by dedicated funds or funds with a wider investment strategy (in particular global tech) are clearly few on the ground.

- Even if there is a quite a number of "star" Business Angels who are very proactive in the first rounds of financing in France, there are only 10,000 private investors compared to 25,000 in the UK.

- French technological fund exits, indispensable for providing liquidity to ecosystems, are rare (5.5 billion in France compared to 40 billion in the UK). The IPO market is practically inexistent in France, as are M & A operations exceeding 1 billion euros; all consequences of an unattractive stock market, a dearth of international Tech leaders to boost mergers and acquisitions, and cold feet on the part of big business.

The President's recent announcement of a new 10 billion-euro fund dedicated to innovation, the creation of the Next40 and his intention to see 25 unicorns emerging in the next three years (as compared to 7 at present) should provide additional dynamism to compensate for these weaknesses. However, the "hunt" for unicorns must be a considered process. It is now 10 years since the phenomenon emerged in the USA and the recent difficulties of Uber and Wework illustrate, in effect, the limits of this system of valorisation and of its real benefits to the economy.

Speaking of which, almost 75% of Next40 consists of companies with a model based on "platformization" of services or digitalization of usages. Prioritization of the right sectors is essential, notably in innovation, such as DeepTech (nanotechnology). Very few start-ups are emerging in this sector and the majority of investment is in research laboratories funded by major groups and public authorities.

But with notable advantages

In this sector, France, with an industry history of its own, does however, have a number of strengths positioning it in the race for international leadership of the fourth industrial revolution:

- High-quality research and a total of nearly €60 bn investment spent on R & D (6th internationally) yearly;

- A considerable number of top-quality engineers costing half as much as in Silicon Valley;

- A high level of financial savings (1,100bn euros);

- A considerable number of big, elite companies having become world or European leaders in strategic sectors such as Energy, Aviation & Aerospace, Telecommunications, Finance, Transport, Pharmaceuticals, and Construction.

...more than enough to take on its new role as a "start-up nation" with ease.

RECENT TRANSACTIONS


**MANUFACTURE OF
HINGES / LOCKING SYSTEMS
SALE**

The **PINET GROUP** is one of the leading manufacturers of standard and made-to-measure hinges and locking systems for industrial purposes.

Founded in 1840 and acquired by Léon Pinet in 1885, it was owned by the family for generations before the recent decision to sell was taken.

Finally, after an international process handled by LINKERS, the Pinet family opted for continuity and sold the group to Guillaume Bataille, a grandson of Léon Pinet and the ex-CEO of POCLAIN.

**GIUSEPPE SANGIOVANNI
PHILIPPE DELECOURT**
ADVISORS TO THE SELLER


**INDUSTRIAL
CLEANING SERVICES
ACQUISITION**

EMN a Normandy family-owned group (turnover of €32m) completed its 12th external growth operation with the acquisition of AZUR.

The company has specialized in the maintenance of communal areas of residential and office buildings for over 19 years.

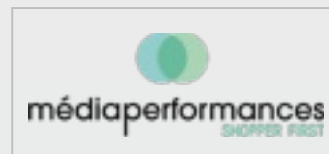
With this new transaction, EMN Group has a presence in Nantes and has reinforced its position with building management agents, on the heels of its recent acquisitions of La Colomb Nettoyage, Clean'Heure, Universal Services and Copronet.

**PHILIPPE LAURENT
FLORENT COUDRAY**
ADVISORS TO THE BUYER


**AT-HOME-STREAMSTRESS
SERVICE PLATFORM
FUNDRAISING**

The start-up **TILLI**, the first at-home-seamstress service digital platform, founded in 2017 and already present in 5 large metropolitan areas, has raised capital (€1,2m) for the 2nd time with its historical investors and Cédric Ciré (Webedia). The funding provides TILLI with the means for accelerating B2B growth and developing an upcycling extension for its integrated fashion-brand websites and boutiques plug-in (Madura, Galeries Lafayette, The Kooples, Balzac), thus reinforcing their commitment to responsible fashion and a circular economy.

MICHÈLE FINE
ADVISOR TO THE COMPANY


**E-MARKETING
SERVICES
JOINT-VENTURE**

MEDIAPERFORMANCES, leading French shopper marketing specialists for over 30 years, and **SHOPADVIZOR**, experts in collecting and processing customer opinions, have launched ShopAdvizor, the first French independent consumer-opinion platform for mass-consumption food and non-food products. The company objective is to give consumers a tribune for this type of product, filling a gap in this market, whereas evaluation by customer opinion has become the norm elsewhere.

**PHILIPPE LAURENT
FLORENT COUDRAY**
ADVISORS TO THE INVESTOR


**VOCATIONAL
TRAINING
SALE**

CSP The Art of Training (turnover of €20m) and **DOCENDI** (turnover of €6m) have merged to become a national leader in transversal skills and expertise.

The merger allows the LEFEBRE-SARRUT Group (turnover of €600m), parent company of CSP The Art of Training, to reinforce its position in soft skills development; key competencies for the 21st century both in terms of workforce employability and of company efficacy and performance.

**PHILIPPE DELECOURT
MICHÈLE FINE**
ADVISORS TO THE SELLER


**EDTECH
E-LEARNING
SALE**

ORTHODIDACTE edits innovative digital platforms specializing in written communication in French for corporations (Geodis, Orange etc.) seeking to enhance staff skills and expertise.

The 2 companies **ORTHODIDACTE** and **EDUCLEVER** - an expert in digital solutions for education and training - have joined forces to create a French champion of life-long digital education and training.

JÉRÔME LUIS
ADVISOR TO THE SELLER


**RENTAL & LEASING
INDUSTRIAL VEHICLES
LBO**

STOLL TRUCKS (turnover of €40m), the leading distributor in Luxembourg for Renault Trucks and Fiat Professional, is a one-stop shop for industrial and utility vehicles with sales, maintenance and rental activities.

After a process managed by LINKERS, the transfer was made in the form of an LBO. The current management team raised capital with the support of Turenne Emergence and Euro Capital and their historical shareholder Robert Stoll.

**SIDNEY SERVAL
PHILIPPE DELECOURT**
ADVISORS TO THE SELLER


**ORGANIC
FOOD-PROCESSING
FUNDRAISING**

Created in 2015, **GROUPE BUFFON** produces and markets organic products based on buckwheat and wheat flours.

The group has grown and acquired two companies in France: Atelier Sarasin (Franche-Comté) in 2016, and Maison Malansac (Bretagne) in 2018.

The €1 million fundraising from France Active Bourgogne and business angels will enable the GROUPE BUFFON to pursue its build-up strategy and create new products.

NICOLAS DU RIVAU
ADVISOR TO THE COMPANY

ENTREPRENEURS' VIEWPOINT

Sophie Bolloré; CEO of DOCENDI acquired by CSP, under the leadership of Aurélie Feld, this summer.

Sophie, could you tell us about DOCENDI?

I created DOCENDI in 2000 with a few colleagues from CEGOS. We developed a range of soft skill training programs (management, personal development, professional effectiveness) based on an entirely new educational teaching method: two days of in-class training with digital support before and after the training session. Thousands of employees attend in-and outside-company sessions every year.



Why did you choose CSP, an affiliate of the LEFEBRE-SARRUT Group?

Docendi was a highly attractive proposition and received a considerable number of offers, many of which were very tempting. Consequently, choosing a partner was not easy but ultimately CSP was the obvious choice. We share the same innovative and stimulating educational vision, the same enthusiasm and the same respect for human values. I felt that it was essential that the members of my team all fully support the merger and Aurélie Feld, the CEO of CSP was able to convince and reassure them.

Aurélie, what is your project for the CSP-DOCENDI ensemble?

CSP is the made-to-measure specialist and DOCENDI has the most successful blended-package offer on the market. Together, we will continue to develop a blended offer of certifiable training programs where focus on the individual and enthusiasm are core values. I would like to thank Sophie for believing in us and choosing us to carry on with DOCENDI's adventure.



Sophie, what was the role of LINKERS in this transaction?

Philippe Delecourt, the founder of LINKERS is very familiar with world of professional development. Moreover, he assisted DOCENDI on a prior occasion when it invested in AVENIR ENTREPRISES in 2001. He led the negotiations with the short-listed training organisations, set up the meetings between candidates and my board of management and instilled a relaxed climate of confidence conducive to the conclusion of a successful agreement.



ONGOING MISSIONS

Ref.	Buy-side Mandates *
A255	Training
A272	Household linen / Hypers & Supermarkets
A773	Industrial cleaning services
A976	Wealth management advisory services
A977	Insurance brokerage
A978	Energy / Oil & Gas
A980	Security
A981	BtoB Media
A982	Manufacturer of cosmetics

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

WHAT THE EXPERTS THINK

"Managing directors: Transmission in every shape and form"

For the past 15 years we have assisted managing directors and family shareholders with the re-organization, restructuring, and transfer of their professional and private holdings. The interlinking of the two is markedly evident during LBO operations. Converting equity into liquidity (sale, a new investor, capital reduction etc.) generally comes at the price of a heavy tax burden if nothing has been organised beforehand.



David PARENT
Associated Notary
A Contrario Notaires

Donations (full ownership, divided, with or without quasi-usufruct) are "our" managing directors' preferred solution for avoiding an accumulation of capital and inheritance tax or unnecessarily high transfer tax and are principally motivated by generosity and a desire for transmission within the family circle. It is clearly evident that the subject is a source of preoccupation for the majority of our deputies and senators, viewed through the prism of taxation. Two proposals to reform the Dutreuil-Transmission Plan, which, for the moment, proposes a 75% deduction on transmitted shares, have been put forward. One encourages a 100% exoneration, while the other suggests bringing it down to 25%... Whatever the future of the two texts, we suggest keeping in mind that, even if there is no definitive transmission or transfer project, it is always preferable to ask for advice beforehand and to think ahead.

Finally, for latecomers, several recent decisions taken by the Conseil d'Etat have confirmed that directors wishing to donate can exercise their donative intent until the "day before" the transfer to their children (spouse/parents, endowment fund).

LINKERS' INTERNATIONAL NETWORK



Europe: Belgium | Bulgaria | Croatia | Czech Republic | Denmark | Finland | France | Germany | Great-Britain | Hungary | Ireland | Italia | Lituania | Luxembourg | Netherlands | Norway | Poland | Portugal | Romania | Spain | Sweden | Switzerland

Asia: China | Hong-Kong | India | Japan | Malaysia | Saudi Arabia | Singapore | Thailand | Turkey

Africa: Egypt | Morocco | South Africa | Tunisia

Americas: Argentina | Brazil | Canada | Ecuador | USA

Oceania: Australia

THE 31st M&A WORLDWIDE CONVENTION IN CANADA

TORONTO hosted the 31th M&A Worldwide Convention on October 24-25. Highlights included the integration of Ecuador in the network covering 42 countries, the efforts required to strengthen the presence in South America, Asia and Africa, the intervention of Mark Robbins from Institute on Governance (IOG) - a think tank and leading advisor in Canada - on the Artificial Intelligence applications, and the contribution of companies and North American Investment funds.

Upcoming M&A Worldwide Convention: COPENHAGEN on May 14-15, 2020.



LËTZ-GO !*: ONE OF THE 1st FRENCH-LUXEMBOURG LBO's

LINKERS organized its 1st France-Luxembourg LBO for the partial transfer of the Luxembourg company **STOLL TRUCKS** to its management team led by Denis Garijo. It was also a venture into new territory for the French investment funds Turenne Emergence and Euro Capital who acquired a stake in the capital together with the multi-entrepreneur Robert Stoll. The operation was structured round acquisition debt financed by a France-Luxembourg tandem; the IBL (International Bank of Luxembourg) - the company's historical partner and arranger of the operation - and the Banque Populaire Alsace-Lorraine-Champagne.



STOLL TRUCKS is a one-stop shop for industrial and utility vehicles, proposing all types of service on-site: sales, maintenance and care and rentals. The latter activity has the strongest growth, with a fleet of over 500 vehicles, establishing the company as one of the segment leaders in the Grand Duchy.

With a 2018 turnover of more than €40m and annual growth of over 10% since 2015, the company objective is to accelerate its acquisition of rental market share and extend its distribution network to the Benelux countries through organic and external growth.

Robert Stoll explained "We benefited from expertise which informed an intelligent transfer project. Members of management, who were also stakeholders in the operation, approved the project immediately and were veritable drivers in its finalisation. The management team's strong commitment is a guarantee of success for the future, especially since there is no lack of projects for organic and external growth. The new structure paves the way for new operational and financial possibilities that are expected to produce concrete results in the form of a new acquisition in 2020."

* Name of the buy-out holding company.

CROSS-BORDER DEALS:

SALES: Cemm Thome to Amphenol (USA) - Agis-Di Pasto to Ter Beke (Belgium) - France Hybrides to Hendrix Genetics (NL) - Coriance to A2A (Italia) - La Celliose to CIN (Portugal) - Axys to Meta4 (Spain) - Econocom CH to Lease-It (Germany) - Tisys to Ultra Electronics (UK) - Elysees West to Hotusa Hotels (Spain) - Filec to Amphenol (USA) - Eboutich to Maus (Switzerland) - Genetel to Anite (UK) - Packinox to Alfa Laval (Sweden) - Climpact-Metnext to Weathernews (Japan) - SVD to Exertis (Ireland) - Camping&Co to Rocket Internet (Germany) - SecludIT to Outpost24 (Sweden) - Editiel (Mauritius) to GL Events - Adonis Environnement (Madagascar) to Veolia Africa - L'Officiel Du Déménagement to Movinga (Germany) - Stoll Trucks (Luxembourg) to Turenne Capital and Euro Capital...

ACQUISITIONS: Ibrams (Germany) and Brand Project (Sweden) by Wedia - PC Garant (Germany), Citymain (UK), Cap Protection (Belgium) and Insurance2Go (UK) by SPB - Frölich u. Walter (Germany) by CUC - Pratiks (Germany) by Pratique - Paul Budde Communication (Australia) by Ubiquick - Insurance2Go (UK) by SPB...

LINKERS, SPONSORS OF THE MINI-TRANSAT 6.50 ALONGSIDE ACTION ENFANCE



On September 21, nearly 90 Mini 6.50 (6,50 keelboats) gathered in La Rochelle Harbour to take part in the Mini-Transat Race, a 4,000 nautical mile solo ocean race from La Rochelle to Martinique with a stop-over in the Canary Islands. ACTION ENFANCE, the custom-built Mini skippered by the young Amélie Grasset and co-sponsored by LINKERS was christened by sponsor Loïck Peyron before participating in the traditional prologue on the magnificent stretch of water facing the towers of the Old Port.

Appalling weather conditions in the Gulf of Gascogne led to a delayed start; initially programmed for September 22, it was rescheduled for Saturday October 5. The Breton, Axel Trehin, in the Prototype class, won the first stage La Rochelle-Las Palmas (Canary Islands), and the Italian Ambrogio Beccaria won the 6.50 class (less than 2 hours behind the first prototype). Amélie, who gave it her all throughout the race, arrived in Las Palmas a little over 3 hours after the winner in exactly 8 days, 23 hours and 12 minutes!

She finished 5th in the 6.50 class (out of 68) and 10th overall (out of 90): a magnificent performance for a first-timer "mini-ist"! The departure for Martinique is planned for November 20, we hope that she will have a great high-adrenaline experience and excellent winds to take her to the port of Marin in the best possible conditions.



LINKERS DEAUVILLE DRAGON OPEN: TRIPLE BRITISH WIN BEFORE BREXIT!

The 17th LINKERS DEAUVILLE INTERNATIONAL OPEN, which took place from June 19 to 22 within sight of the famous Deauville broadwalk known as "Les Planches", celebrated planches, was won by a British Dragon helmed by Ron James, also the 2009 winner. Anecdotaly, he was the scientist who in 1997, created Dolly the first cloned sheep in the world.

A Royal Corinthian Dragon from Burnham and another from the Royal Thames Yacht Club, completed a 100% British podium! During the prizegiving, the expert helmsmen



declared that, whatever the outcome of Brexit, they would be back in Deauville for the competition next year. **So, don't forget to save the date for the 2020 Edition of LINKERS INTERNATIONAL OPEN at DEAUVILLE on June 20 to 23.**

The Dragon, as you know, is an elegant 9-metre racing sloop keelboat. This magnificent sailboat, created in 1929 has a devoted following of amateurs and professionals who compete in their legendary boats all over the world.

LINKERS TEAM



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



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