

2017—A Record-Breaking Year for Siparex, Highlighting the Group's Dynamics

Paris, 30 January 2018

In its 40th year of existence, Siparex Group enjoyed further growth in its operations. Its €206 million in investments and €213 million in exits reflected contributions from all of its business segments.

The Group's strong activity in 2017 confirms the pertinence of the Siparex model featuring five business segments (Midmarket, Midcaps, Small Caps, Innovation, and Mezzanine) spanning the entire corporate growth cycle. All business segments have contributed to the Group's strong growth in recent years. The record amount of funds raised, €330 million, has accelerated the increase in assets under management, which now totals €1.8 billion.

Dynamic Investment Activity in All Business Segments

Investments passed the €200 million mark, rising to €206 million in 2017 from €180 million in 2016.

The Midmarket business segment accounted for half of that figure (€107 million) thanks to the successful rollout of the MidCap 2 fund, which completed its final closing and made four significant investments in Lebhar, Viasphère, La Buvette, and HNH (in Italy), and to the initial deals made by the new vehicle Siparex ETI4 in the midmarket companies Minafin, Ginger, Babeau Seguin, and Apside. Relying on upstream intelligence and privileged access to France's midmarket environment, the Midmarket business segment focuses on growth companies with sales of €100 million to €500 million and innovative business models. Its portfolio of 25 midmarket companies has been very dynamic, generating a number of refinancings, investments, and acquisitions. The bilateral Franco-Tunisian fund managed in cooperation with Africinvest has invested in three French and two Tunisian companies operating in both countries.

The growth in activity of the Small Caps business segment is illustrated by €50 million in investments, to which all of the teams actively contributed: entrepreneur funds (55% of amounts invested), public-private redeployment funds (25%), and public co-investment funds (20%).

The XAnge Innovation team made seven primary investments, for a total of €23 million, in companies including Bergamotte, Yoopies, and Wandercraft. It also made more than 15 follow-on investments. Its portfolio contains investees with strong growth potential, such as Ledger, Believe and Eldim, which were identified far upstream.

The Mezzanine segment made €22 million in investments on four new deals and one follow-on investment, in companies including European Homes and Visiativ.

A 22% Surge in Exits

As was the case for investments, **exits set a record in 2017, passing the €200 million mark to reach €213 million**, up from €166 million in 2016. (Exits in 2017 should be viewed in light of investment volume five years ago, which was on the order of €80 million per year.)

Benefiting from a promising environment, the Midmarket business made €115 million in exits, generating an average multiple of 2.2x, on ten portfolio companies including Ginger, Bernadet, and Gérard Perrier Industrie. The Small Caps teams took advantage of several opportunities to complete €40 million in exits. The Innovation team made some noteworthy exits from companies such as Chauffeur Privé, KissKissBankBank, and Mein Auto, generating a substantial €46 million in proceeds and a multiple of close to 3x. The recently created Mezzanine business realized its first exit (Néovivo) on excellent terms via the fund Intermezzo.

€330 million raised in 2017

In addition to being a record-breaking amount, the large volume of funding raised is a reflection of the continued endorsement of Siparex's growth strategy on the part of its historic investors and interest shown by new investors. This support has contributed to broadening and diversifying the Group's investor base of institutional investors, funds of funds, corporates, and private individuals.

Salient features of activity in 2017 included the final closing of the fund Siparex ETI4, with €315 million in committed capital, and the first closing of the fund Siparex MidCap 3, which raised €100 million in the space of three months. In the Innovation segment, XAnge Digital 3, with a target of €80 million to €100 million, held its first closing, and FCPI Siparex Innovation 2018 raised €30 million, up a considerable 50% over with the previous year.

Outlook

Siparex Group expects 2018 to be rich in opportunities, thanks in particular to continued investments by the ETI4 fund and initial investments by the MidCap3 fund, which has a target of €150 million. Activity will also be dynamic in the Innovation finance segment, which focuses on sectors such as artificial intelligence, blockchain, and specialized SaaS systems in a fast changing venture capital market.

Siparex is moving closer to its target of €2 billion in AUM in 2020, and it expects to see significant growth thanks to the complementarity of the Group's five business segments, its presence throughout France's regions, and its strong and unique culture.

To keep pace with disruptions in economic models, particularly those caused by the digital revolution, and to improve the assistance it provides to investee company CEOs, Siparex Group hired a chief digital officer early in January 2018. His primary mission will be to make CEOs of mid-sized investee companies aware of the crucial importance of digital technology and to help them define and implement their strategy in this area, relying on XAnge for its ecosystem and portfolio of start-ups. He will also guide Siparex Group through its own digital transformation.

Siparex will continue to apply its unique international growth model, including its recent agreement with Desjardins Capital to help companies from France and Quebec with their cross-border expansion.

Lastly, the Group will continue to examine ways to broaden its product offering in terms of investment strategy and through the creation of new products such as endowment insurance.

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About Siparex

Siparex Group, founded 40 years ago, is France's leading independent private equity investor specializing in midmarket and intermediate-sized companies. The Group has €1.8 billion in assets under management in Midmarket (midmarket and intermediate-sized companies), Mezzanine, and Small Caps (intermediate-sized companies), as well as in Innovation finance under the XAnge brand (start-ups in the digital, deep tech, and societal impact sectors). Siparex serves companies nationwide from its offices in Paris, Lyon, Nantes, Besançon, Lille, Strasbourg, Dijon, and Toulouse, and it has a presence in Madrid, Milan, and Munich.

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