

## Press Release

### **Siparex Achieves a Fifth Consecutive Year of Growth in 2018**

#### **As Private Equity Enters a New Phase, Siparex Enhances its Organization**

Paris, 12 January 2019

#### **Siparex Achieves a Fifth Consecutive Year of Growth in 2018**

Business in 2018 was very brisk for all of Siparex's operating segments. The Group met or exceeded its targets, with €235 million in investments and €260 million in exits. All five lines of business (Midmarket, Midcap, Small Cap, Innovation, and Mezzanine financing), spanning the entire corporate growth cycle, have contributed to this strong expansion over the past several years. Assets under management have steadily increased over the past decade, to €2 billion.

- **Dynamic Investment Activity, Up 15% to €235 Million**

The Midmarket and Midcap businesses made a prominent contribution to the Group's overall activity, with investments totaling €119 million. For its second year of operation, the fund Siparex ETI 4 made four initial investments (NG Travel, Texelis, Missler Software, and Valentin Traiteur) for a total of €75 million. The Midcap business also posted strong activity: The fund Siparex Midcap 3, which began operations in March 2018, made five investments in France (Comptoir Rhodanien, Groupe Packing, Mathevon, Nowak, and Ouveo) and two in Italy (Plurima and SAIP).

XAnge, representing the Innovation business, was also a significant contributor, having invested €54 million on new deals including Skello, Shine, 360 Learning, Welcome To The Jungle, Ouihelp, and Habx, as well as Sunacare in Germany, in addition to a number of follow-on investments.

The Small Cap business made €38 million in investments. The Mezzanine business, buoyed by the highest amount of deal flow since its inception (up 25%) reached its targets by investing €23 million in four new portfolio companies: Celeste, Heitz System, Captain Tortue, and Eurocave.

In cross-border business, the Transatlantique fund got off to a promising start with the completion of its first two investments (Apside and Texelis), with a third in the process of being finalized.

- **A Historically High Volume of Exits, Up 25%**

**Exits rose to an all-time high of €260 million in 2018**, versus €213 million in 2017, **representing a 25% increase and an average multiple of 2.5x**, as well as exceeding the Group's targets. (Exits in 2018

should be viewed in the light of investment volume five years ago, which was on the order of €90 million a year.)

In a favorable environment, the Midmarket business made four notable exits—three full exits (Groupe Nadia, Malherbe, and FPEE) and one partial exit (Armor)—for an average multiple of over 2x and an IRR of 20%. The Midcap business reported the highest level of exits in its history, primarily through trade sales, including Cotherm, Marietton, Coquelle, Francetruck, Flip, Lorina, Arcado, and Eras. These exits, at an average multiple of 2.7x, contributed to the good performance of the first- and second-generation Midcap funds.

XAnge, the Group's Innovation arm, achieved its highest-ever level of exits, at over €70 million. These included Chauffeur Privé and Mein Auto (full exits) and Believe and Evaneos (partial exits), corresponding to an average multiple of 2.5x.

The Mezzanine business also reported good results, with five exits (Neovivo, Safe, Medifutur, IJ Next, and Berkem) generating an average IRR of 20%.

- **Funds Raised to Support the Growth Strategy: €1.3 Billion Raised Over Five Years**

The Group raised **€300 billion in funding**, illustrating the strong support of historic investors for the Siparex Group's growth strategy as well as the interest shown by new investors.

In 2018 Siparex Midcap 3 held its final closing at €175 million, which was €25 million above its target. Private investors accounted for a significantly larger proportion of subscriptions: 40% versus 24% previously.

Fundraisings by XAnge for the Innovation business (the XAnge Digital 3 institutional fund and retail funds) totaled €120 million. Siparex Transatlantique, a fund created in partnership with Desjardins Capital, held its final closing at €75 million.

### **Buoyed by this Dynamic, Siparex is Enhancing its Organization in Anticipation of Future Developments in its Business**

Following large business volume in the first half, the year 2018 confirmed that private equity has durably established itself as a major provider of financing for the economy. Yet in addition to supplying capital, at a time when economic models are being challenged and competition is heating up, private equity investors need to differentiate themselves and demonstrate their specificity.

Bertrand Rambaud, Chairman of Siparex Group, believes that **“less emphasis on financialization and greater focus on portfolio monitoring as a means of creating value are far-reaching developments that are pushing the private equity business toward a new model driven by growth creation”**.

In the years ahead, helping investee companies to grow will be a major vector for delivering the performance expected by companies and fund investors alike.

Mr. Rambaud further pointed out that **“it is with this objective in mind that Siparex has set up an Operating Team to work with its investment teams. In addition to the digital support resources currently offered, with which the Chief Digital Officer achieved very positive results in 2018, this**

**team will add business development services, starting with the recruitment of two investee support specialists in 2019.”** In this way, Siparex is enhancing its five lines of business—Midmarket, Midcap, Small Cap, Innovation, and Mezzanine—with new resources to provide operational support to its investment teams.

At the same time, the Group is exploring ways to broaden its offering and extend its cross-border reach. Lastly, the Group has developed an ESG approach for assessing nonfinancial criteria before and during the investment period as a way of encouraging investee companies to favor progress and seek value creation.

## **Outlook**

Siparex intends to pursue its distinctive strategy by deploying its organization to promote investee company growth. Mr. Bertrand concluded his remarks by saying, **“In addition to creating the Operating Team, the Group is actively considering expanding the offering in terms of investment strategy and the creation of new products.”**

Now that Siparex Intermezzo 1 has reached the end of its investment period, work will begin on raising the next-generation fund in 2019.

Siparex will energetically pursue its cross-border strategy by creating a second-generation Siparex Investimenti fund in Italy and continuing to deploy the Transatlantique fund.

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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 nearly €2 billion in assets under management in Midmarket (middle-market 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 Milan, and Munich.

For further information: [www.siparex.com](http://www.siparex.com)

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