Il ruolo del private equity nello sviluppo delle PMI sui mercati esteri
I. INTRODUCTION TO PRIVATE EQUITY

II. LBO FRANCE / GIOCONDA

III. CASE STUDY
Private Equity Fund: a partner to support the company’s needs

The best private equity partner depends also on the moment of the company’s lifecycle:

- Venture capital
- Expansion capital
- Leverage buy-out
- Restructuring
- Generational hand-over
The private equity fund can be:
- MINORITY SHAREHOLDER
- MAJORITY SHAREHOLDER

More important, private equity funds have different approaches. They can:
- ADOPT AN HANDS-ON APPROACH and therefore support companies in defining the strategies, in accelerating their growth => ACT AS A SPARRING PARTNER
- BE A MORE SILENT FINANCIAL INVESTOR
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LBO France: 35 years of recognized presence in France, with a platform model

**Small Cap Buyout**
- Majority buyout
- Team based in Paris & Milan
- Focus on primary deals
- EV €15m - €100m

**Mid Cap Buyout**
- Majority buyout
- Buy & build strategy
- EV €100m - €1.0bn

**Venture**
- Focus on digital health
- European late stage / growth instants

**Debt**
- Senior loans of small companies
- Advisor of SCOR IP (global reinsurance group)

**Real Estate**
- Value add driven
- Focus on proprietary deals
- €20m - €100m

**Invested amount**
- €530m
- €4.8bn
- €213m
- €2.3bn

**Deals**
- 36 Deals since 2003
- 53 Deals since 1998
- 33 Deals since 2003
- 100 Deals since inception

**Invested**
- €530m
- €4.8bn
- €213m
- €2.3bn

**Raised amount**
- €213m

**Note:** Amounts as of 30 June 2019
Newly created subsidiary Gioconda to cover Italy => our new small cap opportunities fund invests in both countries

Small Caps Opportunities Investment Team

Jean-Marie Leroy  Nicolas Manardo  Emmanuel Fiorentino  Charles Béal

Roberto d’Angelo  Arthur Bernardin  Chiara Venezia
Arthur Bernardin
Managing Director

Joined LBO France in Paris in 2010 and moved to Gioconda (LBO France Italian subsidiary) in 2017

Arthur began his career in 1995 as a financial analyst at Schneider mainly in New York. He then moved to strategy consulting and spent more than 12 years within L.E.K. in Paris, handling a number of projects for industrial clients and being involved in over sixty projects for Private Equity clients, mostly strategic due diligence in the context of leveraged buyouts.

Arthur graduated from HEC Paris.
Cross-fertilization experiences leading to strong sectorial experience

**Examples of Investments**

- **Food & Beverage / Consumer Goods**
  - Lanterna
  - VETROélite
  - P.C. Alliance
  - Gault & Frémond
  - Matérne
  - Eurotab Innovating Together

- **Leisure & Luxury**
  - Fine Sounds Group
  - Payot Paris
  - DIAM
  - Moustache
  - Bluclad

- **Industrials**
  - SERAPID
  - CMR Group
  - Crouzet
  - ConvertTeam

- **Information & Technology / Digital**
  - DCI.fr
  - Infodis Groupe
  - Passman Groupe

- **Healthcare**
  - i2O
  - FH Orthopedics
  - Idéal Résidences
  - Piex Life Provider
  - Médipartenaires
## Small Caps Opportunities

### Key Investment Thesis

**Market trend, external growth & internationalization as key investment theses**

<table>
<thead>
<tr>
<th><strong>Underlying Market</strong></th>
<th><strong>Build Up</strong></th>
<th><strong>Internationalization</strong></th>
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<tbody>
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<td>Spirits premiumization</td>
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<td>New lifting technology</td>
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<td>Health in Africa</td>
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<td>Luxury goods</td>
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<td>Wi-Fi upgrading in hospitality markets</td>
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<td>IT services</td>
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<td>Tablets for homecare (dishwashers, disinfection)</td>
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- ➔ Positive and diverse trends
- ➔ Limited cycle effect
- ➔ Synergies
- ➔ Market leaders
- ➔ Diversification
- ➔ Increasing value at exit
A specific value creation plan for each company => strong support by Investment and Operating Teams

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<tr>
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<th>Digital Transformation</th>
<th>International Development</th>
<th>Lean Management &amp; Supply Chain</th>
<th>External Growth</th>
<th>Human Resources &amp; Organization</th>
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Not key in the Value Creation Plan
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Sales development

Build-up

Processes

Reinforce sales team

- Double-digit organic growth rate since acquisition
- >€5m sales
- Management team reinforcement and IT improvements on-going
- 4 sales people hired in North America, 3 in EU
Proactive build-up strategies to accelerate value creation – example

**VetroElite Sales Evolution (€M)**

<table>
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<th>Year</th>
<th>Sales (€M)</th>
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<td>2017</td>
<td>19.9</td>
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<td>2018</td>
<td>22.8</td>
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- **+50% over 2017-18**
- **2018**

**Acquisition Process led by LBO France**

- Acquisition screening initiated prior to closing, in several areas (distribution, closures, decoration business) in glass and selected plastic segments
- Close to 10 targets visited in France, UK, Germany, Italy and the US
- Three targets thoroughly analyzed, including Valery Glass
- Ongoing discussions with other targets

- **Acquired in July 2018**
- **Merger completed in December 2018**