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Integrated Report  
**2015**

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POWERING  
THE FUTURE OF  
FRENCH  
SMESES

# A PORTFOLIO OF 9 FRENCH SMEs

## committed to accelerating their growth

Eurazeo PME helps transform French small and mid-sized enterprises (SMEs) into global, integrated and responsible intermediate-sized businesses



THE FLEXITALLIC GROUP develops high-tech sealing solutions for the main players in the energy and petrochemicals industries.

2015 REVENUE  
**€169 million**

**3%**  
EURAZEO PME STAKE  
2006/2013  
INVESTMENT



Group specializing in the distribution of innovative solutions in scientific instrumentation, Fondis is the leader in portable equipment.

2015 REVENUE  
**€11 million**

**45%**  
EURAZEO PME STAKE  
2008 INVESTMENT



Serving its clients for over 100 years, Léon de Bruxelles proposes mussels and chips and Belgian cuisine in its 78 restaurants.

2015 REVENUE  
**€114 million**

**60%**  
EURAZEO PME STAKE  
2008 INVESTMENT



A prestigious luxury brand, DESSANGE International has a unique network of over 2,000 hairdressing salons in 47 countries.

2015 REVENUE  
**€65 million**

**76%**  
EURAZEO PME STAKE  
2008 INVESTMENT



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20

20



European player  
in IT recycling,  
Cap Vert Finance  
is present  
in 110 countries.

2013 INVESTMENT



2015 DIVESTMENT



Specializing in medical  
equipment, Péters Surgical  
distributes its products  
in over 150 countries.

2015 REVENUE

**€63 million**

**87%**

EURAZEO PME STAKE

2013 INVESTMENT



European firm specializing  
in lighting and signaling  
for industrial vehicles,  
Vignal Lighting Group  
is now developing  
in America and Asia.

2015 REVENUE

**€83 million**

**77%**

EURAZEO PME STAKE

2014 INVESTMENT



A reference in the French  
retirement home sector,  
Colisée welcomes more  
than 4,600 residents  
and patients.

2015 REVENUE

**€264 million**

**64%**

EURAZEO PME STAKE

2014 INVESTMENT



European leader in same  
day and time sensitive  
premium freight, Flash Europe  
relies on its innovative  
digital platform.

2015 REVENUE

**€166 million**

**43%**

EURAZEO PME STAKE

2015 INVESTMENT



2016

Acquisition of Orolia & MK Direct

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# 10 YEARS OF COLLECTIVE work and success to prepare for the future

In the 10 years of working closely with our current and former holdings, we completed 37 transactions, enabling us to create sustainable value for our investors, entrepreneurs and their families, employees and our other stakeholders.

Ten years of trust and commitment, vital for the success of a responsible investor and its holdings. Past experience has strengthened our belief that a private equity firm cannot be restricted to playing a purely financial role, but must accompany the management teams of businesses during their transformation. This association between management and the shareholder is the primary source of long-term value creation.

In 10 years, we have expanded while retaining our professional and responsible shareholder model. Our alliance with the Eurazeo teams in 2011 increased our human and financial resources and extended our visibility over the French private equity market. The contribution of the Eurazeo teams has been crucial to this successful decade.



## Transparency and simplicity, the guiding principles of this second integrated report

In keeping with the approach adopted last year for integrated reporting\*, we have taken on board the comments of our stakeholders and improved our ideas. This process has given rise to two separate documents: a summary report, presenting our view of the economic and societal changes that impact our business model and that of our companies, as well as our main strategic priorities and our organization, and a detailed report available in a flip book format on our website.

## Eurazeo PME's sights are firmly set on the future

The year 2015 is not just an anniversary, it is above all the beginning of a new decade of growth, with nearly 50% of the Eurazeo PME II fund already invested in 5 companies. We can confirm our strategy of investing in high growth potential SMEs and our desire to become a pioneer of corporate social responsibility, both for our teams and our investments. Our aim: continue to step up the transformation of our investments, particularly in terms of digital technology and international expansion.

**OLIVIER MILLET**

CHAIRMAN OF THE EXECUTIVE BOARD

\* Integrated reporting focuses on how an organization creates value using financial, manufactured, human, intellectual, social & relationship and natural capitals.

For further information on the integrated reporting approach: [www.integratedreporting.org](http://www.integratedreporting.org)

10 YEARS  
OF GROWTH  
AND VALUE  
CREATION

## PLAYING OUR ROLE OF PROFESSIONAL AND RESPONSIBLE SHAREHOLDER TO THE HILT

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“We develop a collaborative approach with our portfolio companies, with a shared ambition: sustainable and profitable growth.”

**VIRGINIE MORGON**  
CHAIRWOMAN OF THE SUPERVISORY BOARD



“In a world that has never been so complex, we take up the challenge of combining managerial and shareholder talent to better guide our investments in their growth trajectory and sustainable future”.

**OLIVIER MILLET**  
CHAIRMAN OF THE EXECUTIVE BOARD

MANAGERS, EMPLOYEES, **FINANCE**,  
PRIVATE EQUITY, DIGITAL,  
VALUE CREATION,  
**PERMANENCE**, RESPONSIBILITY,  
**COMMITMENT, ENTHUSIASM**,  
TRANSFORMATION, **EXPERTISE**,  
**CONFIDENCE**, TRANSPARENCY,  
COMMUNICATION, **WORK**,  
**ENVIRONMENT**, SOCIAL,  
SOCIAL, **GROWTH**,  
INTERNATIONAL, **TALENT**,  
**ALLIANCE, SHAREHOLDER**,  
COMPANIES, **SMEs**,  
INTERMEDIATE-SIZED  
BUSINESSES, **TEAM**,  
GOVERNANCE, **LONG TERM**



# Managerial talent and shareholder proximity: the new alliance created by Eurazeo PME

INTERVIEW WITH VIRGINIE MORGON & OLIVIER MILLET

**In 2015, Eurazeo PME celebrated its tenth anniversary. What have been the achievements?**

**Olivier Millet:** I would first like to recall our initial ambition, which was to transform French SMEs into international intermediate-sized businesses. In ten years, we have finetuned our economic model: this may seem obvious today, but it wasn't a few years ago. Eurazeo PME has been consistent with this pledge to accompany SMEs over 5 to 10 years. Structures, amounts invested, capital, organization, employees, our business has come full circle. This model was validated in four stages: the trust exhibited by the Macif Group as of 2006, the IPO in 2007, the integration of the teams within Eurazeo in 2011, and the stakes of international institutional investors in 2015. In 10 years, we have invested €517 million, signed 13 acquisitions, assisted our companies with 24 external growth transactions, and sold 11 international groups. The value of our portfolio has increased from €23 million in 2006 to more than €414 million today. As to our investment capacity, it has been multiplied by 10 between OFIPEC 1 and Eurazeo PME II.

**Virginie Morgon:** I would like to acknowledge the formidable work accomplished by the teams. In this respect, 2015 is a continuation of the past decade, with Eurazeo PME II invested at nearly 50% — or €260 million —, the acquisition of Flash Europe, whose growth model is mainly international and, lastly, the sale of Cap Vert Finance. The year is also a continuation in terms of the solid performances that confirm the resilience of the Eurazeo PME business model. The EBITDA of the companies stood at €94 million in 2015, or nearly 15% of the margin, and the average multiple over the last five sales amounts to 2.5 times the initial investment.

**What are the highlights of the decade's momentum?**

**OM:** Three highlights marked this decade. The 2007 IPO was a major and decisive event in the life of Eurazeo PME. It turned us into a genuine business shareholder rather than simply a business financier. Financing thus became a means rather than an end. Our true work begins when we become a shareholder; this makes all the difference.

Another highlight was the integration with Eurazeo in 2011, a true acknowledgment of the five preceding years and a challenge that has now been met thanks to the Eurazeo and Eurazeo PME teams. The alliance had to be desirable for Eurazeo and it had to "create" a favorable environment, while we had to become something of a hybrid: belonging to Eurazeo while, at the same time, exercising substantial autonomy in terms of resources and operations. This integration was a major stepping stone in terms of developing our companies, particularly in China, Brazil and, shortly, the United States.

Lastly, I would mention our pioneering CSR vision beginning in 2008. This useful and viable model for us is fully rooted in a reality that is regional, corporate, human and more. We have succeeded in building it in the midst of an unfavorable economic environment, which is truly a feat.

**At the time of its integration within Eurazeo in 2011, the task of Eurazeo PME was to transform French SMEs into global intermediate-sized businesses. What are your group's objectives for the coming years?**

**VM:** This task is still current, since it is central to Eurazeo's business model, which is based on the accelerated transformation of businesses, particularly by the international channel.

The SMEs that we select have specific needs to better face an increasingly competitive environment, establish their international presence and boost their flexibility. The quality of the Eurazeo PME model and teams meets these challenges. Like the three other Eurazeo divisions, Eurazeo PME is able to seize growth opportunities abroad, particularly with the support of our offices in China and Brazil.

Our ambition was to accelerate the transformation of Eurazeo PME. We have succeeded, tripling our NAV in 5 years. We have great hopes for our subsidiary, which should double in size over the next 5 years.

### Can you confirm your investment criteria for the coming years?

**OM:** Eurazeo PME can confirm its business model and it remains highly selective in its investments. We are looking for SMEs with high growth potential, particularly at the international level. Working closely with management, we wish to provide them with supplementary expertise to structure a robust governance, identify external growth opportunities, capture and exploit the inputs of a digital age, modernize their organizations and encourage their sustainable development with a CSR strategy that is integrated in their business model. In addition, by relying on Eurazeo's international network, we can invest in foreign companies, as was the case in India with Péters Surgical or develop partnerships similar to what Colisée has done in China. Seizing opportunity flows at the international level represents a considerable advantage for our investments. It is our wish to transform local and solid SMEs into "pocket-sized multinationals."

### Why has corporate and social responsibility always been a significant focus in the transformation of your portfolio companies?

**OM:** It's part of the DNA of Eurazeo PME. From the onset our CSR vision was an expression of our will, a commitment which others sometimes viewed with derision and surprise. I remember our first CSR report that came out in 2008. We have since demonstrated that CSR is fundamentally useful in our business, in terms of both business and investor relationships. We were virtually alone in this effort and now the entire venture capital industry has made the switch.

As precursors, from the very start we expressed our wish for transparency and shared in open source our integrated CSR experience and vision. CSR is a true growth driver for SMEs.

**VM:** This was one of the subjects we discussed in 2011, with Olivier and his teams. At Eurazeo, we always envisaged CSR as a powerful lever for value creation. We've demonstrated it this year, with six portfolio companies, including three from Eurazeo PME (Dessange International, Léon de Bruxelles and Péters Surgical) since all the progress plans implemented by these companies generated savings of more than €180 million.

### What do the company management teams currently expect from private equity?

**VM:** The alternative financing and the sluggish economy with its low interest rates do not change our investment strategy, but add to our competitive environment. Likewise, the new challenges companies face — particularly the digital transition and the collaborative economy — have a direct impact on our own business model. In this context, the entrepreneurs that solicit Eurazeo PME are not only seeking a financial contribution to materialize their growth project, but above all a team of committed, stimulating and enthusiastic experts to help them roll out their long-term growth strategy.

**OM:** It is in this sense that we are developing our business model, by strengthening some of our legal, digital, CSR, HR or communications expertise. We are now preparing our companies for the integration of these new disruptive models generated by the collaborative economy. Our wish is for an ever increasing flexibility and adaptability for our SMEs so as to meet the challenges of an economic environment in perpetual movement.

### What are the team talents that are definitely innovative and likely to appeal to future SMEs?

**OM:** Without a doubt, our ability to reconcile flexibility, economic performance, innovation and, above all co-building. We guide the investments and simplify processes. Co-building is the response to complexity.

**"Our ambition was to accelerate the transformation of Eurazeo PME. We have succeeded, tripling our NAV in 5 years."**

**VIRGINIE MORGON**

Co-building can be defined as proximity with the company's stakeholders; this is reflected in productive exchanges with the management of our SMEs. We are co-owners of the company with management; this is our investment philosophy.

**VM:** We in fact provide our companies with much more than financial resources. Beyond the business lines and geographies on which we have worked extensively these last years, we have developed an ensemble of skills that create value and which we network with all Group companies (digital, CSR, risk management, etc.). This is a collaborative investment approach that we are developing with our companies to serve a shared ambition: profitable, long-term and sustainable growth.

### Where do you see private equity in ten years?

**VM:** Private equity will double in the coming years for several reasons. First, this kind of share ownership has proven itself in terms of financial performance. We have demonstrated that it can also be effective at the societal level, and in any event, the two do not conflict with each other. Shareholding in family businesses has also proven itself. Our economic role is to work on growth and the change in dimension, the first objective being to ensure the company's continuity. In this respect, France is a land of opportunity with numerous SMEs that have to be rapidly transformed into intermediate-sized businesses.

**OM:** Our sector also faces a major challenge. In response to a world that has never been so complex, we are betting on an alliance between managerial and shareholder talent to better guide our investments in their growth trajectory and continuity. We wish to demonstrate our talent on numerous fronts: work, effectiveness, proximity, commitment, ethics, fairness, etc. This is the starting point and the only strategy that makes sense, and sense will be crucial to financial performance in the coming decade.

Moreover, ten years ago, Eurazeo PME decided to commit over the long term to its companies, with holding periods ranging from five to ten years. The companies in which we are currently shareholders have and will have a relationship of ten to twenty years with private equity. These are changing times and the paradigm has shifted. Once the structuring stage is completed, Eurazeo PME guides the company towards growth on an organized basis. This is because we work with very solid companies whose will and vision in terms of growth are unrelenting. In this context, the private equity players are sufficiently diversified to accompany all their growth phases.

**“The reason why Eurazeo is successful in all its initiatives is because of its far-reaching resources.”**

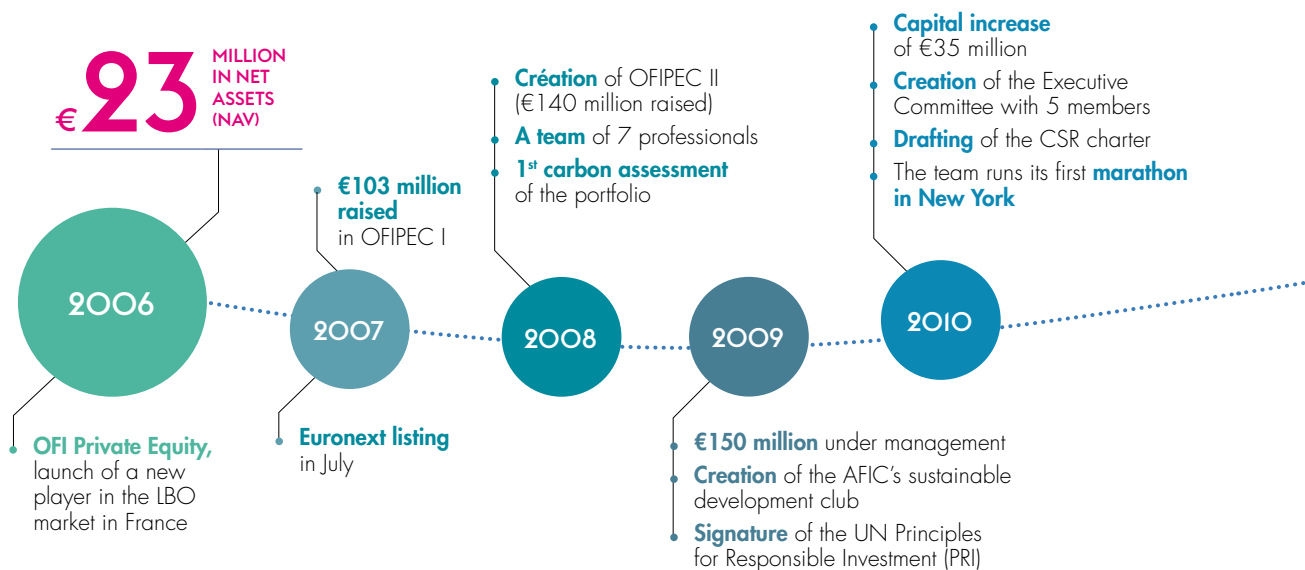
**OLIVIER MILLET**

**VM:** In an economic environment that remains uncertain for managers and organizations, Eurazeo PME guarantees a form of stability and continuity. Time can be an incredible force! This is quite a paradox: while time accelerates, we can legitimately assert that we control the management, because we have the flexibility to initiate action over the long term. It takes time to transform a company. At their side, we support their changes and encourage their innovation and audacity. Accompanying over the long term is to work with time and this is our strength

**OM:** This control over economic time is also a commitment on the part of both Eurazeo, and the companies. A vector of moral comfort for the companies, the level of demand and commitment is extremely high, on the part of Eurazeo in relation to us and us in relation to the companies. The long term is a crucial component of the Eurazeo model. We are constantly projecting ourselves into the future and we think in terms of a time-space of 10 or 20 years. However, the reason why Eurazeo PME can accomplish all its initiatives is because of its permanent capital, the basis of its confidence in the future and its day-to-day serenity.

# 10 YEARS of developing a winning expertise

10 YEARS OF GROWTH AND VALUE CREATION



€790 MILLION RAISED

€517 MILLION INVESTED

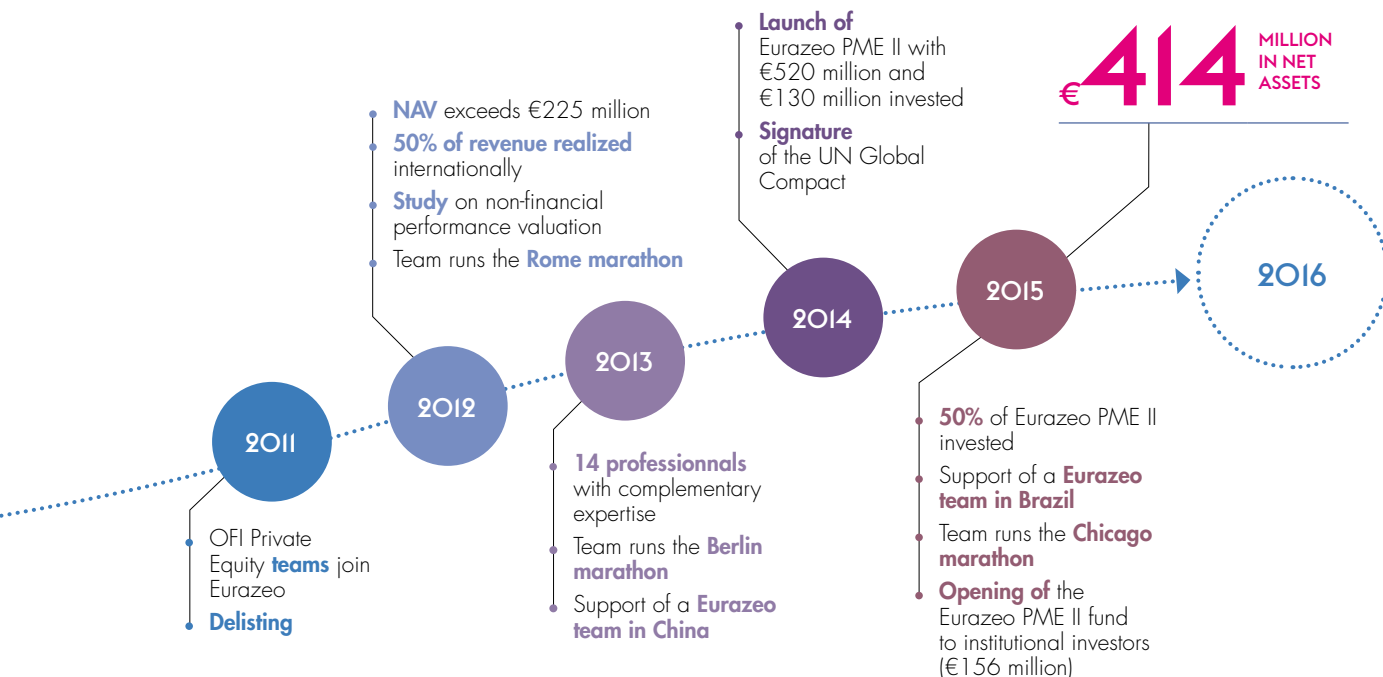
€326 MILLION DIVESTED

## Being a long-term responsible shareholder, our 10-year commitment

As a professional, long-term shareholder, responsible investor, and partner in their development, Eurazeo PME provides French SMEs with all the financial, human and organizational resources to help them move to the next growth level and create sustainable value.

Since 2006, Eurazeo PME has invested in companies valued at between €50 million and €200 million with profiles combining a recognized market positioning and strong management ambition, particularly with regard to inter-national growth. Our approach to investing and monetizing businesses is not based on a short-term speculative outlook, but is tailored to their growth cycle.

A Eurazeo subsidiary since 2011, we have extensive financial and human resources to accompany SMEs, selected according to stringent investment criteria. Our flexible financial approach is based on the capital we commit and a level of debt adapted to the company's liquidity and investment requirements.

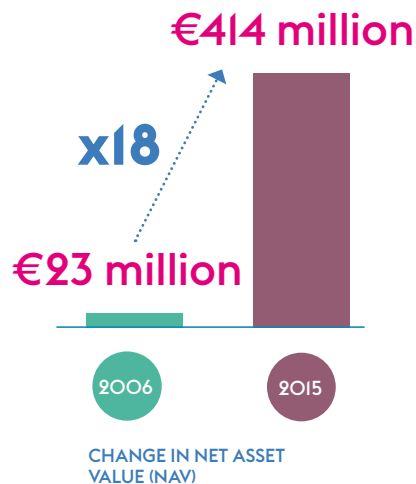


### Building on its successes, Eurazeo PME is equipped to maximize its resources

Rather than signaling an end, the year 2015 marks the beginning of a new cycle of sustainable growth and shared value creation.

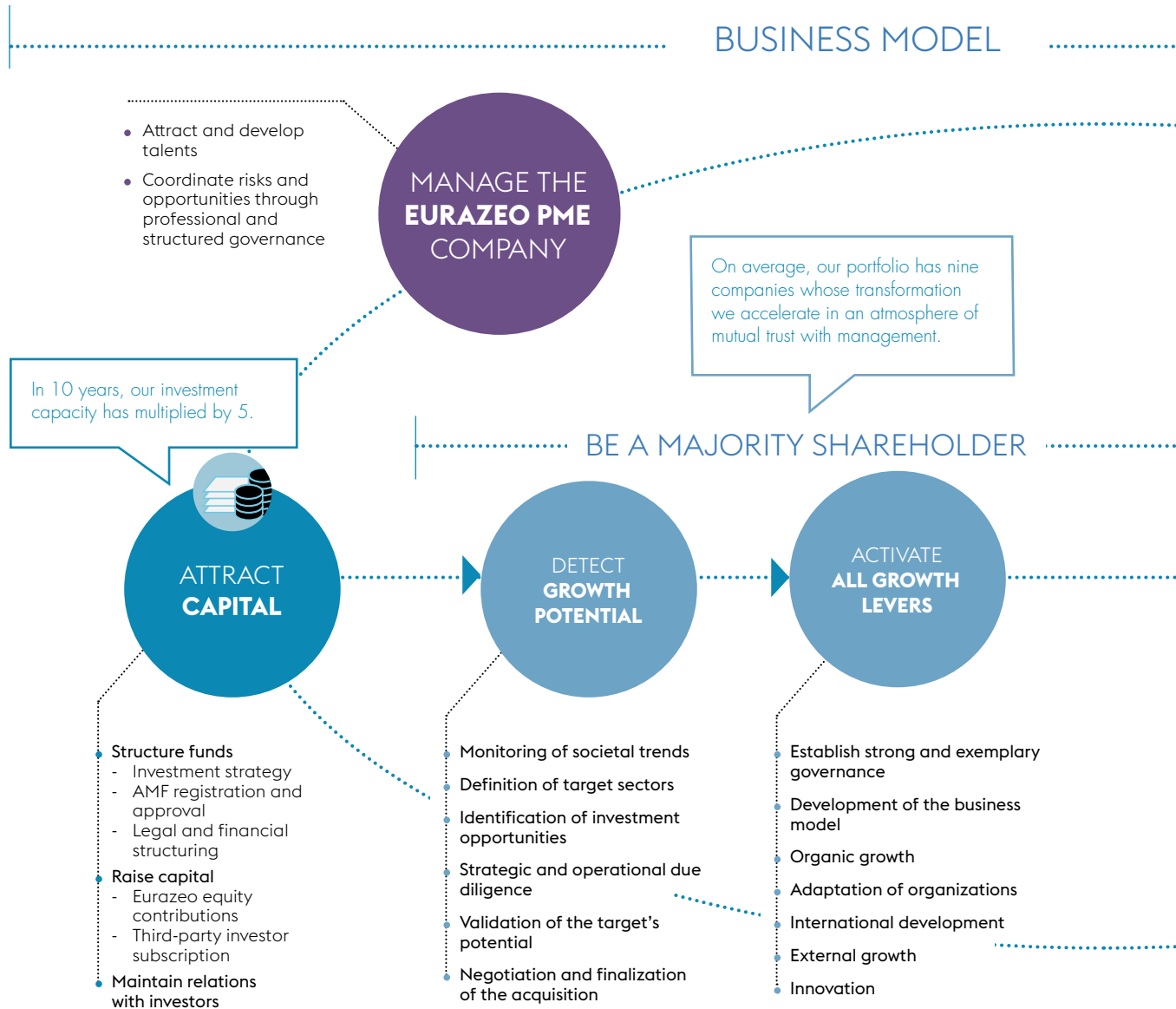
We assert our long-term shareholder strategy to accompany SMEs in their expansion and assist them in becoming responsible, audacious, visionary, connected, flexible and international intermediate-sized businesses. With a €520 million commitment, the Eurazeo PME II fund enables us to invest between €100 million and €150 million annually.

The team of 15 experienced and dedicated professionals combine all the competencies needed to anticipate the economic and societal challenges facing the management teams of our portfolio companies. In coordination with Eurazeo, our team's international expansion to China in 2013, Brazil in 2015 and shortly to the United States provides us with greater flexibility in these high-potential markets for French SMEs.

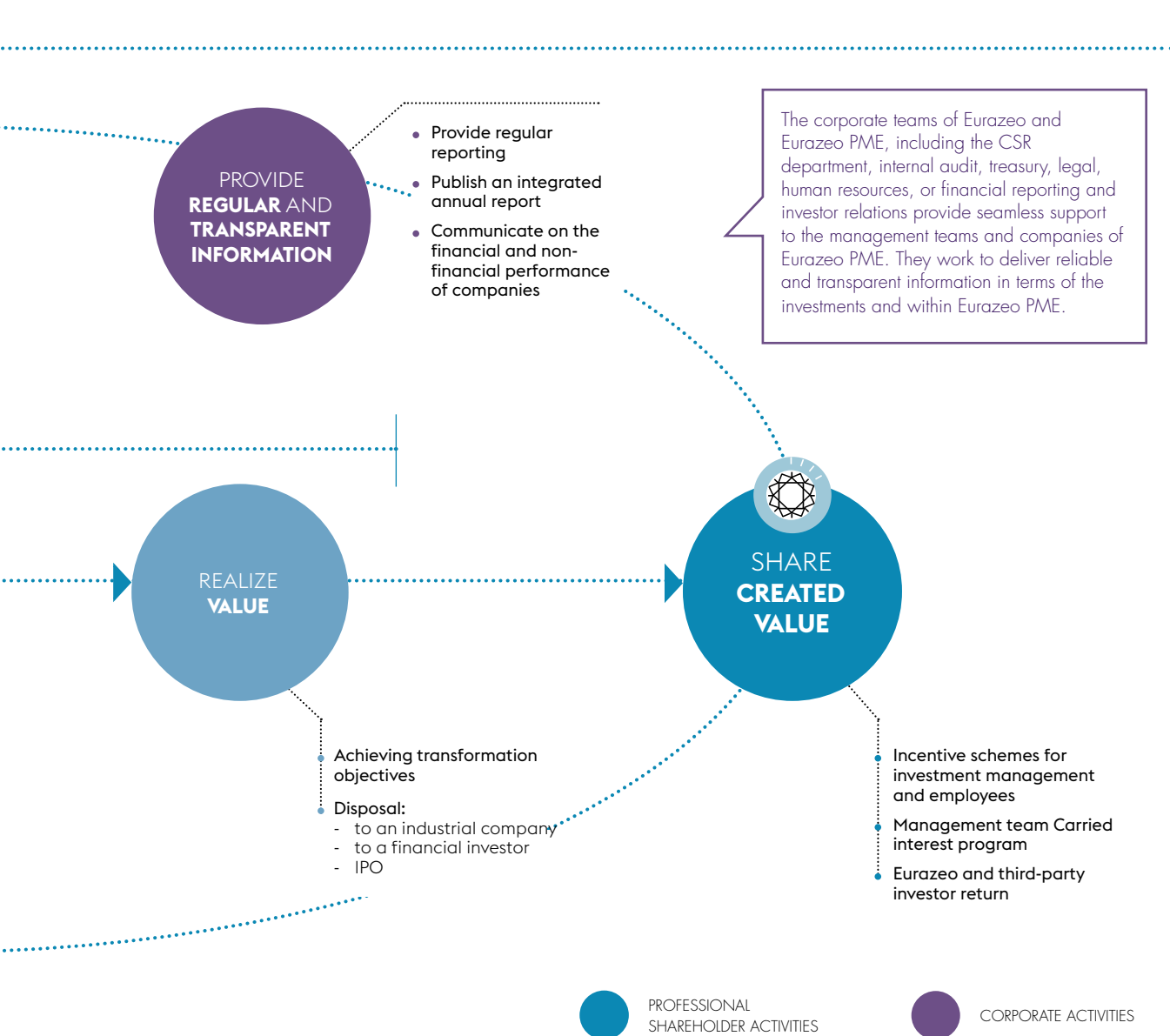


# A business model that has proven itself

10 YEARS OF GROWTH AND VALUE CREATION

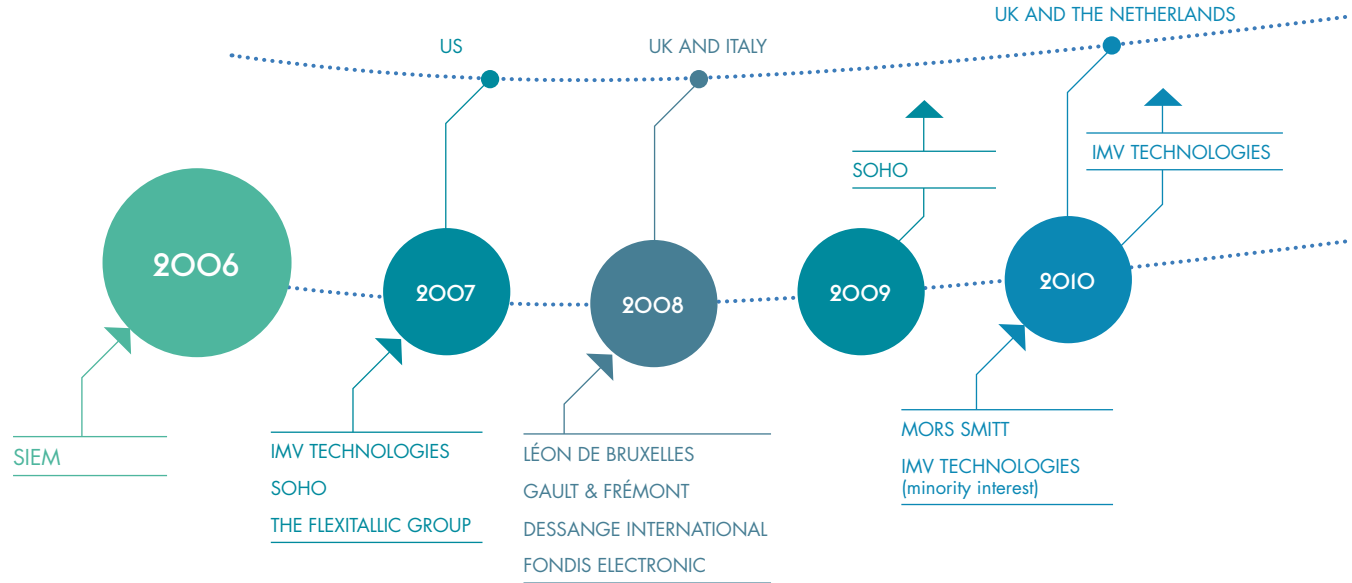


The results of the last 10 years illustrate the resilience of our business model, which is based on three major activities: attract capital, be a majority shareholder and share the value created. The business is supported by corporate activities.



# 10 YEARS of transforming French SMEs into global intermediate-sized businesses

10 YEARS OF GROWTH AND VALUE CREATION



## 38 TRANSACTIONS

OF WHICH 14 MAJORITY  
ACQUISITIONS AND  
24 EXTERNAL GROWTH  
TRANSACTIONS

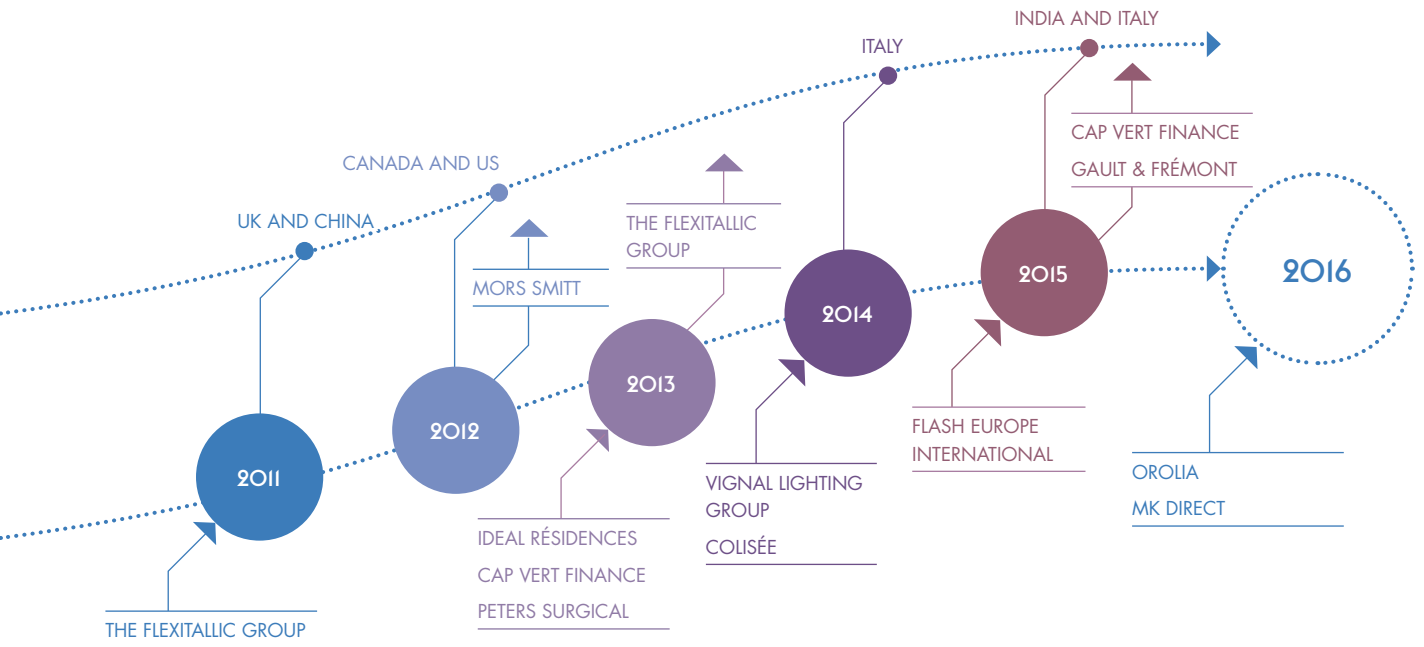
### A strict and selective investment strategy

By strictly managing our business portfolio, we have managed to multiply by 2.5 the value of the last 5 companies sold, with an average IRR of 22%.

In an extremely competitive European private equity market with vast investment capacity, our collaborative approach appeals to many entrepreneurs seeking to transform their company into an international player. Most acquisitions take place by private agreement at the request of the entrepreneurs or their board of directors.

Drawing on our formidable achievements, we can confirm our robust investment approach based on a holistic financial and non-financial analysis of a company's medium and long-term value creation potential. We believe that an attractive business model, top-notch managerial team and relations of mutual trust forged at the pre-acquisition phase are the keys to a successful investment.





### A long-term accompaniment to leverage their value

Eurazeo PME works closely with the management of each of its holdings to support them in their transformation projects, find new sources of innovation and complete bold international growth transactions. In 2015, Eurazeo PME was the shareholder of 9 companies, all solidly positioned in their markets, with whom it shares the goal of accelerating their transformation.

Our expertise contributes to rationalizing the decisions of managers and limiting the risks undertaken by the company. We assume our responsibility as a long-term shareholder by reinjecting capital into defining transactions. Once these transactions are completed, we work with management to embark on a new growth phase or hand over the reins to other shareholders, selected for their ability to inject new momentum into the company.

**5** DIVESTMENTS  
HAD AN AVERAGE  
MULTIPLE EXCEEDING **2.5X**



#### VIGNAL LIGHTING GROUP

European leader in signaling lights for industrial and commercial vehicles, Vignal Systems merged with ABL Lights with the backing of Eurazeo PME, its majority shareholder since February 2014.

Vignal Lighting Group has stepped up its development in Europe, the United States and Asia thanks to a complementary product range and investments in new modernized and environmentally-friendly production workshops.

In December 2015, Vignal Lighting Group joined the UN Global Compact.

## Long-term corporate projects

The time horizon of Eurazeo PME's corporate project extends beyond the divestment of capital to new investors. Under the impetus of Eurazeo PME, companies accelerate their transformation to tackle new phases of subsequent growth with new shareholders. Shared success stories with three company sales: Gault & Frémont, Cap Vert Finance and Mors Smitt.

### GAULT & FRÉMONT GROUP

Consolidate an ambitious corporate project despite a troubled economy



Company created in 1850

182 employees

Revenue: €44 million in 2014

Industrial site of 24,000 m<sup>2</sup>

Logistics surface area of 16,000 m<sup>2</sup>

PEFG FSC certified since 2010

In 2008, Eurazeo PME invested in the company's share capital alongside its managers. The value created over the last seven years has been shared by all stakeholders.

Like any activity in a mature market, Gault & Frémont has developed by clearly identifying growth niches

and organizing a road map based on specific market segments: distribution, retail, the food and non-food industry and export. The corporate project supported Gault & Frémont in its position as French leader in the design and manufacturing of cardboard and paper packaging for the food and catering industry.

A patient shareholder, Eurazeo PME provided constant accompaniment to the management of Gault & Frémont despite a difficult economic context between 2009 and 2011. Working in concert to implement the strategy, Eurazeo PME supplied financial and operational support to modernize the company and conduct three external growth transactions: Montgolfier, Bio Food Pack and Intersac. These three acquisitions strengthened Gault & Frémont in its historical market and provided access to new client segments.

Internally, the company transformed its commercial strategy so as to be more active on site and widely diversified its suppliers to better manage

supplies and therefore, costs. It also reinforced its logistical capacity and modernized its manufacturing base. These substantial investments gave Gault & Frémont a competitive edge and it was able to take full advantage of the economic recovery beginning in 2011.

In 2015, the divestment was concluded in cooperation with the management of Gault & Frémont. The company was valued at €40 million, or 53% more than Eurazeo PME's most recent net asset value. The new shareholders were convinced by the management team's ability to develop in its historical markets, open itself to new sectors and its skill in identifying and subsequently incorporating external growth opportunities. The transfer of capital provided the company with the means to pursue its geographic expansion and its strategic diversification, thus pursuing the momentum that first began in 2008.

## CAP VERT FINANCE GROUP

**Accelerate growth through proven methods, strong visibility and a thorough understanding of the business**




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30 years of experience

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2 entities: IB Remarketing and AS LEASE

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300 employees

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Revenue: €111 million in 2015

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17 foreign subsidiaries

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165,000 inventory items

The Cap Vert Finance group, whose main subsidiaries are IB remarketing and AS Lease, is a French company specializing in product life-cycle management of electronics infrastructures. The group offers a full range of services, from the leasing and

maintenance of server fleets, to the trading and recycling of equipment and components, all of which integrate a structured environmental protection and sustainable development approach.

Following Eurazeo PME's investment in 2013, Cap Vert Finance bolstered its position as European leader thanks to the acceleration of its organic and external growth, and an economic approach that took into account environmental issues. Cap Vert Finance thus undertook three major external growth transactions in less than two years: Phoenix Services in France, DCS in Italy and Aditia Lease. The latter acquisition provided critical mass to the company in that it was able to expand its financing and management offering for SME technological assets.

Thanks to the expertise of the Eurazeo PME teams, the external growth strategy was highly organized. A breakthrough that facilitated rapid and consensual decision-making for the various acquisitions, and the structuring of suitable financing based on the specificities of the business and the maturity

of the company. In addition to its financial expertise, the visibility and confidence that Eurazeo PME has been able to develop with financial institutions had clearly been a differentiating factor. Moreover, the Eurazeo CSR department assisted Cap Vert Finance management with the implementation of an extremely ambitious and hands-on CSR policy in terms of improved structuring and communication. Lastly, the introduction of reliable, rapid and detailed reporting has allowed the company to become a true European intermediate-sized business that is receptive to the world.

Following two years of close cooperation, the company's value has virtually doubled, standing at €137 million. Despite a shorter holding period than is usually the case for Eurazeo PME, the management teams jointly agreed on the Carlyle proposal, under which Cap Vert Finance can envisage a step-up in its international development.

## MORS SMITT GROUP

**Believing in an industrial project and providing the time necessary by reinvesting**




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Company created in 1898

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400 employees

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Production sites in France,

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The Netherlands, China and the United Kingdom

In March 2006, OFI Private Equity Capital, which has since become Eurazeo PME, co-invested in the global leader in on-board electromechanical relays for the rail industry, the result of a Franco-Dutch merger.

A supplier to the sector's largest industrial groups (Alstom, Bombardier, Siemens, etc.), Mors Smitt Holding covers virtually the entire global market.

In 2010, Eurazeo PME announced the purchase of the shares held by Capzaine. Becoming a shareholder alongside Dardel Industries and company management, Eurazeo PME thus illustrated its long-term accompaniment strategy in terms of developing leading companies operating in specialized markets in France and internationally. For a period of nearly six years, and with the support of Eurazeo PME, Mors Smitt accelerated its Asian market deployment, with a ramp-up in India, following a successful set-up in China and the 2011 acquisition of STS in the UK. Mors Smitt expanded its horizons by gaining a foothold in most of the commonwealth markets that use specific UK standards, in Asia as well as Africa.

Aside from its geographical expansion, the company has simultaneously conducted a vast program to modernize its industrial facilities and innovate (R&D budget tripled) leading to the success of the NS1 signaling relay, which was certified by the SNCT following two years of trials.

The transformation of this Franco-Dutch SME into a solid and innovative international intermediate-sized business drew the attention of industrial players in the rail sector. In June 2012, Eurazeo PME sold its interest to the US rail equipment manufacturer Wabtec, realizing a value of €21.5 million, for an annual rate of return of 27%. Wabtec's investment in Mors Smitt comes at a propitious time in the company's history. Its growth prospects are now particularly attractive, with a powerful industrial synergy in a rail sector in full consolidation.

## Seven years of cooperation based on a joint project

World leader in reproduction biotechnologies, IMV Technologies develops products and techniques at the cutting edge of innovation in artificial animal insemination. Gilles de Robert, chairman of the group that was sold in 2014 by Eurazeo PME, looks back on seven years of cooperation, but above all on a beautiful human adventure.

### INTERVIEW WITH GILLES DE ROBERT DE LAFREGEYRE



#### Why did you choose Eurazeo PME at the time?

**Gilles de Robert:** In 2007, the meeting with Olivier Millet, who then headed OFI PE, was the deciding factor. I was face to face with someone who had a tremendous ability to listen, who managed an entity that had the size of an SME and could thus understand our expectations and needs. I was proven right by what followed...

#### What did the Eurazeo PME teams bring you in terms of added value?

**G. de R.:** Listening above all. The team immediately understood our business, providing us with a great work comfort in an atmosphere of mutual transparency. They let us get on with things without limiting us or preventing us from working, by accepting the risk. I specifically remember the acquisition of a company in China. A good investment fund can assume the business risks while securing the financing. Eurazeo PME excels in this area! We were also made aware of everything concerning CSR, using a pragmatic and measured approach. Without the team's impetus, IMV Technologies would not be as committed to these issues today!

### What event best illustrates your cooperation with Eurazeo PME?

**G. de R.:** In June 2007, just after the delisting of IMV thanks to Eurazeo PME's investment, we wished to acquire our main competitor in France. I asked Olivier Millet to trust us and he did. When the shareholding was renewed in 2010, Eurazeo PME retained its minority, real proof of its confidence since it joined in and guided us for the purchase in China. Because of the strength of the relations, there was no difference between the two periods.

### How are you currently capitalizing on the experience of this period?

**G. de R.:** By maintaining the consolidation momentum — at a rate of one acquisition per year since 2007 — and cultivating a CSR DNA that is being absorbed by the entire company. The involvement of Eurazeo PME, its industrial and business perspective are without equal. Its tailored accompaniment is valuable for an investment. I personally found an alter ego who guided me in the management of IMV. We have built a solid business over time. Even today, I still benefit from the same responsiveness since the relationship did not end after the divestment.

### What are the future developments of IMV?

**G. de R.:** We are pursuing the same strategy based on three pillars: lead in animal reproduction, consolidate our international development, with an eye on Latin America and Eastern countries, and develop high value-added technologies. All of which is driven by a true environmental awareness which means we work with greener technologies at costs stockbreeders can bear.




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Revenue: **€63 MILLION** (2013),  
Of which approximately **80%** related to animal reproduction

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**450 employees**

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**+80%** of revenue realized on exports

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**10%** of revenue reinvested in R&D

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**300 patents** registered in France and internationally

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#### **5 foreign subsidiaries:**

United States, China, Italy, Netherlands

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Network of distributors in more than **120 countries**

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**4 production sites:** L'Aigle and Rambouillet (France)  
Shanghai (China) and Amsterdam (Netherlands)

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# 10 YEARS of combining performance and responsibility

In our role of accompanying the management teams of SMEs in their sustainable growth projects, we make sure that the value created is shared between the various stakeholders. Corporate Social Responsibility (CSR) is fully incorporated into the business model and strategy of the companies.

## CAPITALS SINCE 2006

### FINANCIAL RESOURCES

OFIPEC I +  
OFIPEC II  
investors

€237 million

EURAZEO PME II  
investors

€277 million

EURAZEO PME  
management  
team members

€2,6 million

Total  
€517 million

### HUMAN RESOURCES

Investment team

Financial, legal and risk  
management



Management of  
human resources  
and organizations



CSR



Communication  
& public relations



Business development  
China, Brazil,  
United States



Digital



## BUSINESS MODEL

- Attract and develop talents
- Coordinate risks and opportunities through professional and structured governance

MANAGE THE  
EURAZEO PME  
COMPANY

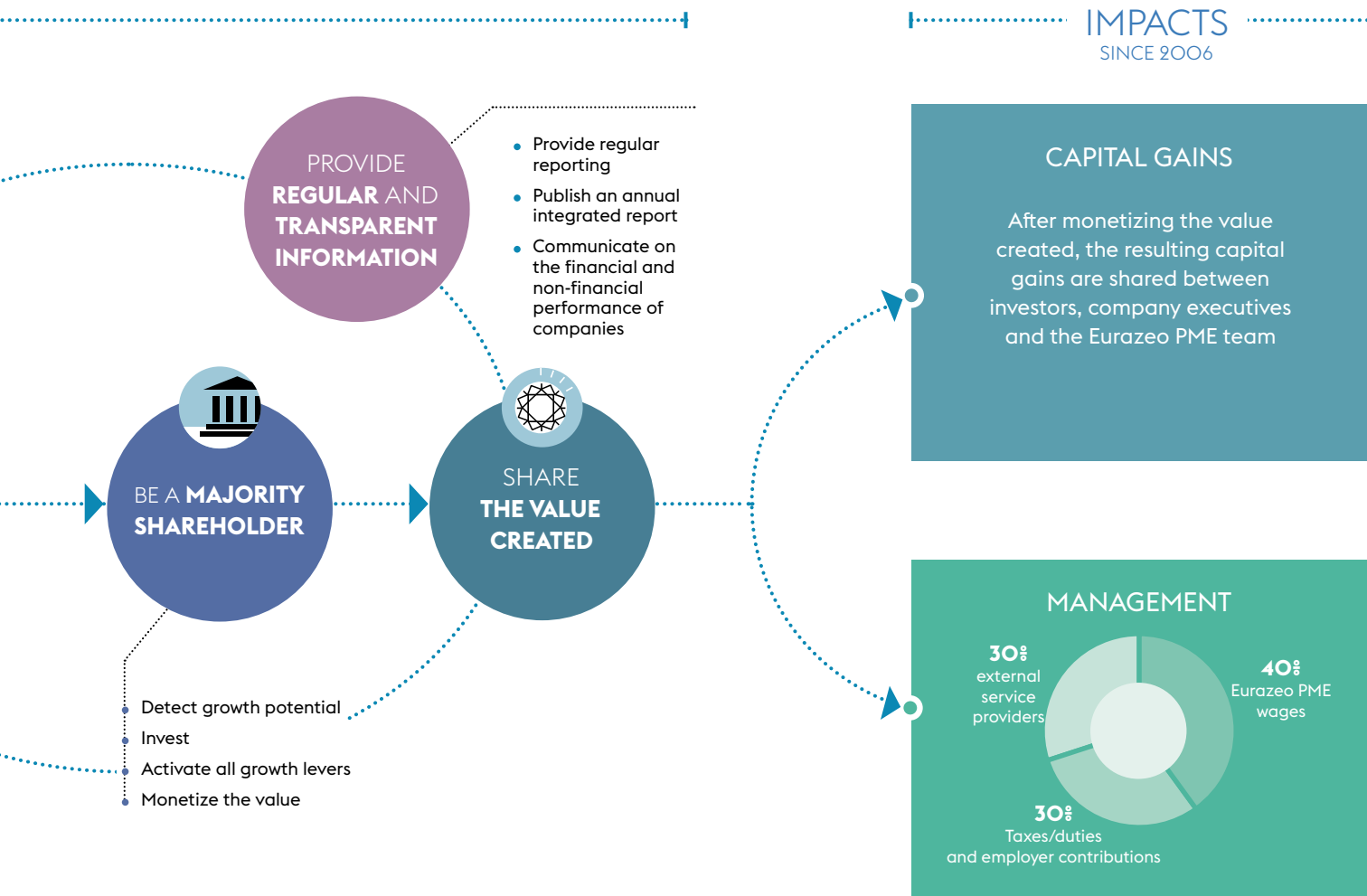
ATTRACT  
CAPITAL

- Structure funds
- Raise capital
- Maintain relations with investors

### CSR at the core of sustainable value creation

We are convinced that CSR is instrumental to the transformation of SMEs into intermediate-sized businesses and in 2008 we adopted a strategy, team and governance dedicated to the concept. Since 2012, Eurazeo PME has rolled out a pertinent social, societal and environmental reporting system in all of its portfolio companies, in compliance with the requirements of the Grenelle II Act.

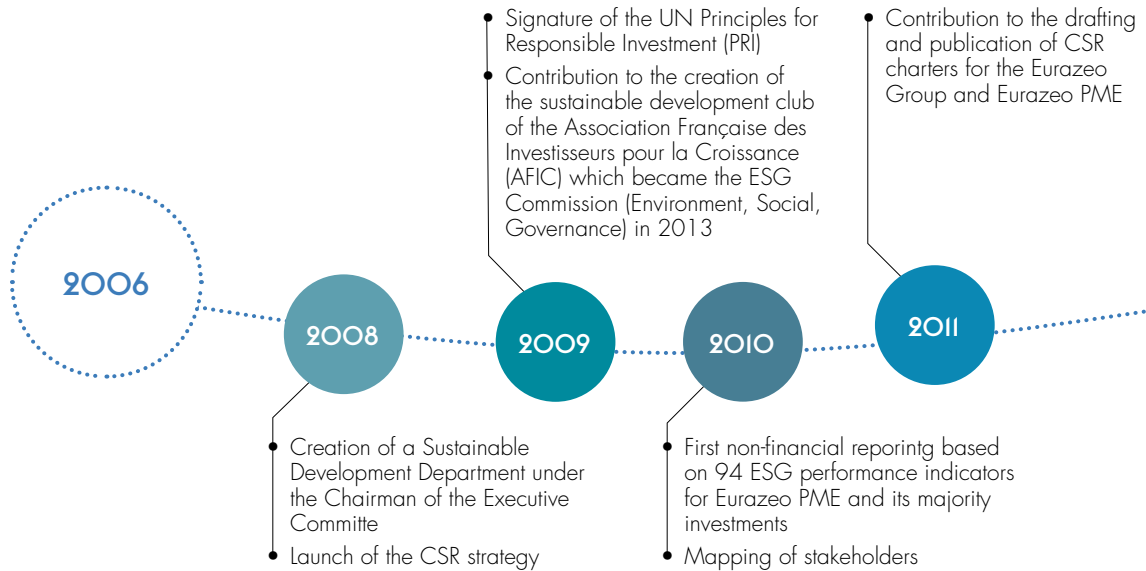
Furthermore, based on the close cooperation between Eurazeo's management teams and the CSR department, together with the sharing of best practices between the portfolio companies, these challenges can be quickly taken into account in the transformation. Finally, the due diligence reviews carried out during acquisitions and disposals now incorporate CSR criteria.



## Eurazeo PME, an active promoter of CSR issues in private equity

A committed shareholder alongside responsible companies, Eurazeo PME adopted an organization and governance dedicated to Corporate Social Responsibility (CSR) in 2008.

10 YEARS OF GROWTH AND VALUE CREATION

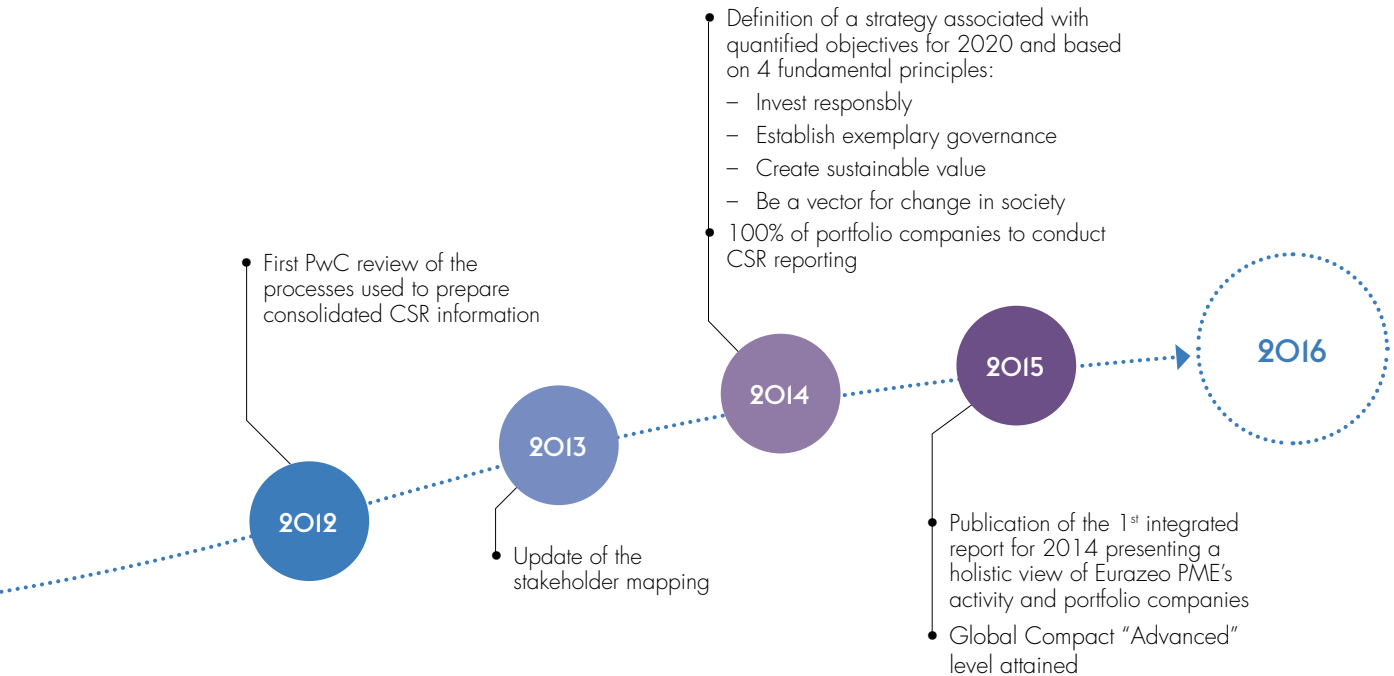


### CSR at the heart of permanent value creation

A forerunner of the approach in France and an active promoter of the importance of these issues in terms of investing for growth, Eurazeo PME acts as a driving force in the market. Backed by technical expertise and experience in the field, Eurazeo PME has transformed the integration of non-financial criteria into a veritable tool for investment, interaction with management and development of its investments.

Thanks to the feedback received over seven years, CSR is now a part of each phase of the business model. At the time of an acquisition, CSR issues are covered beginning with the letter of interest, and on divestment, the CSR assessment is valued through specific vendor due diligences. Between these two moments, the accompaniment of investments is as strategic as it is concrete, with the assistance of the Eurazeo CSR team.





### The first private equity player in France to sign the UN Principles for Responsible Investment in 2009

With this signature, Eurazeo PME has pledged to include non-financial criteria in its investment strategy and management. In late 2006, the UN Programme for the Environment and the Global Compact asked a few major investors, pension funds, insurers and public institutional investors to work together in the preparation of these responsibility principles. Today, nearly 1,500 organizations participate in this voluntary approach based on the inclusion of environmental, social, and governance (ESG) issues in their investment analysis and decision-making processes and responsible shareholder practices.

### Founding member of the Sustainable Development Club of the AFIC

Within the Association Française des Investisseurs pour la Croissance (AFIC), Eurazeo PME contributed to the creation of the Sustainable Development Club, whose primary purpose is to serve as an exchange platform between members regarding CSR best practices.

A long-term partner to nearly 5,000 entrepreneurs with projects to create development or transfer family businesses and the second major source of business financing, private equity is a key player in the French economy. Its role and impact are measured in terms of growth and the creation of wealth and jobs. The CSR commitment of private equity players within the AFIC demonstrates that the creation of value and medium and long-term jobs in companies cannot be separated from a voluntary CSR approach.

2015

## a reflection of our momentum

In 2015, Eurazeo PME pursued its sustainable growth by drawing on the six forms of capital making up its business model. Recap of a few highlights.



### THE EURAZEO TEAM , IS BECOMING INCREASINGLY INTERNATIONAL

The deployment of Eurazeo in China since 2013 and Brazil in 2015 enables Eurazeo PME to accelerate the development of its investments in these countries. The opening of a US office in 2016 will add to this geographical coverage.



10 YEARS OF GROWTH AND VALUE CREATION



### EURAZEO PME IS "GLOBAL COMPACT ADVANCED"

In 2015, the Global Compact brought together 9,000 businesses which report annually on their progress in terms of governance, anti-corruption, environmental protection and human rights. The allocation of the "Advanced" level – the highest – reflects the excellent results of the CSR strategy adopted since 2008.



### EURAZEO PME LAUNCHES THE "RESPONSIBLE PURCHASING" CLUB

The initial work meetings with voluntary portfolio companies facilitate the sharing of sound responsible supply practices from a human and environmental perspective.



### ACQUISITION

### FLASH EUROPE INTERNATIONAL, EUROPEAN LEADER IN CRITICAL AND TIME SENSITIVE PREMIUM FREIGHT

Thanks to the €32 million investment by Eurazeo PME alongside its CEO Philippe Higelin and managers, Flash Europe accelerates its cross-border growth in the critical and time sensitive premium freight segment and invests in digital technology.



FINANCIAL  
CAPITAL



INDUSTRIAL  
CAPITAL



HUMAN  
CAPITAL



INTELLECTUAL  
CAPITAL



SOCIAL AND  
SOCIETAL  
CAPITAL  
RELATIONSHIP



NATURAL  
ENVIRONMENTAL  
CAPITAL



### COLISÉE 5 NEW OVERSEAS RESIDENCES

With the backing of the Eurazeo PME teams, Colisée acquired four long-term care facilities in Italy and opened its first Chinese establishment in Guangzhou.



# 50%

### OF THE EURAZEO PME II FUND IS ALREADY INVESTED IN A DYNAMIC PORTFOLIO

A total of €156 million was raised in March 2015 with French and international institutional investors, bringing the fund's total investment capacity to €520 million.



## 2 DIVESTMENTS

### CAP VERT FINANCE WAS SOLD IN JULY 2015

Under the impetus of Eurazeo PME, the Cap Vert Finance group has bolstered its position as the European leader in electronics recycling. Its accelerated organic and external growth and the integration of CSR issues into its business model largely contributed to this success. The enterprise value has doubled during the Eurazeo PME period of shareholding.

### GAULT & FRÉMONT WAS SOLD IN COOPERATION WITH THE COMPANY'S EXECUTIVES

On February 3, 2015, Eurazeo PME sold the Gault & Frémont group, the French leader in paper and cardboard packaging for bakeries and pastry shops, for a price of €16.4 million, exceeding the pre-sale NAV by 57%.



ANTICIPATE  
THE FUTURE

## BUILD ON SOCIAL AND TECHNOLOGICAL BREAKTHROUGHS

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The economic and financial context signals a new era for private equity, radically transforming its model. Anticipating means understanding the challenges facing portfolio companies in forthcoming years, and above all transforming our business models for greater flexibility and better integration.

“A solid governance and financial management, seamless reporting designed to anticipate and coordinate operations, and a change management culture... these are the essential ingredients for SMEs to win new markets, particularly abroad.”

**ELISABETH AUCLAIR**  
CHIEF FINANCIAL OFFICER,  
MEMBER OF THE EXECUTIVE BOARD



“External growth to reach critical mass, international expansion and digital transformation will be the main challenges for SMEs/SMLs over the next 10 years.”

**EMMANUEL LAILLIER**  
MEMBER OF THE EXECUTIVE BOARD

# OUR CHALLENGES

## reinvent our business model and that of our companies

The French private equity segment, a veritable growth engine for SMEs and intermediate-sized businesses, must be modernized to meet a threefold challenge: increasingly selective investors, accelerated development of company business models and the reaffirmed need for sustainable growth with an equitable sharing of the value created.

1

### SELECTIVITY

#### Increasingly selective investors, making greater and more concentrated investments

Private Equity has become a very attractive segment due to the liquidity of debt and equity markets and low interest rates. In the last three years, worldwide capital-raising surpassed \$280 billion per year, an unprecedented amount in the past 30 years. The competition between the 2,200 existing investment funds<sup>(1)</sup> is nevertheless fierce. Faced with such competitive pressure, the challenge is to build an attractive and profitable company portfolio, quickly reach critical mass and increase the average amount of investments.

#### Greater investor involvement

There was a time when investors entrusted a management company with funds and simply waited for a financial return in relation to an index or its counterparts. This is no longer the case. Today, investors analyze fund performance for each transaction, with more in-depth financial and non-financial monitoring. Just like the "short channels" that are developing in other economic sectors, new technologies enable investors to promote co-investment over intermediate investment. Therefore, a management team is no longer simply assessed in terms of financial performance but also in terms of its managerial skills to extensively transform its portfolio companies.

#### Responsible investing (ESG) has become the norm

According to a PwC study carried out in 2015, 71% of investors declared that they had opted not to invest in a fund or had terminated their relationship with a management team due to environmental, social or governance reasons. The definition and roll-out of a responsible investment policy, with extensive CSR due diligence reviews, are now sought by more than 80% of investors.

2

### ACCELERATION

The acceleration of economic and technological cycles requires businesses to have greater flexibility in their markets. The widespread use of digital technologies (80% of French people<sup>(2)</sup> are internet connected) and collaborative practices require businesses to work in an integrated manner with shorter channels. They can no longer content themselves with just "product/ service innovation", but must constantly adapt their production organizations, processes and facilities. In the medium term, the business will be enhanced, i.e. digital, mobile, integrated and globalized. To stay in the game, SME executives must anticipate technological,

(1) 2015 Preqin study

(2) Médiamétrie

human & social changes. However, business model transformation remains complex for SMEs that struggle each day in an extremely competitive global market. It is for this reason that the private equity segment has to develop its internal expertise to enable SME management teams to make the most of the current economic revolution.

Entrepreneurs also need a shareholding base and financial resources that are tailored to these new disruptive models, which means combining short product development cycles and longer timeframes to thoroughly transform their organizations. It is therefore vital to select medium and long-term shareholders capable of accompanying the business in a common project.

## GROWTH OVER THE LONG TERM

3

Today, being an integrated investor means devoting time to prepare the business for its future challenges, while involving and respecting its stakeholders (employees, suppliers, clients and authorities). By extending the management company holding period, shareholders are able to support management in the company's radical transformation, while optimizing its social and societal impact. As the private equity segment has incorporated this requirement, the average management company holding period in the market increased from 4 years in 2008 to 6 years in 2014<sup>(1)</sup>.

## Two Eurazeo PME partners share their vision of the challenges of our sector

The two specialists in LBO transactions and private equity, Maxence Bloch, Associate Lawyer at King & Wood Mallesons and Patrick Maurel, Chairman of Natixis Partners, share their vision of this triple challenge that is impacting the profession.

### How do you see the private equity market in France changing over the coming years?

**Patrick Maurel:** I generally see a bright future, particularly in France. Private equity is an extremely successful asset class. In combination with a liquidity inflow that is growing considerably from year to year, it will continue to develop. What's more, it has just received a welcome helping hand, since one of the sections of the Macron law authorizes private equity investment for savings vehicles.

**Maxence Bloch:** Very positively, for structural reasons to begin with. Private equity has several advantages, including a rich and active industrial fabric, a well-adapted banking system and the great vitality of company managers.

And, looking back, it must be said that since the 1980s, the private equity and LBO industry has never stopped making deals regardless of the economic and political context. The flexibility of private equity in France – despite the many tax and regulatory hurdles - is extraordinary and shows that as long as there are companies, there will be deals, private equity being the answer to the real needs of the real economy.

Another reason for optimism is that private equity remains a secure investment despite the series of crises and a geopolitical environment that is more than tense. Investors know it, the private equity industry continues to deliver solid returns.

(1) 2015 Preqin study

**In 2015, the mergers and acquisitions market in France was consolidated. Won't this consolidation exclude "minor" companies?**

**M.B.:** I don't think so. Funds will always have an appetite for companies that wish to develop and shift into top gear, regardless of the deal volume. In addition, the funds today tend to reorganize into "firms" so as to cover the entire private equity range, from small cap to large cap. Eurazeo shares this mindset, with an actual small cap division. There's a lot of money to invest in the market but not enough targets able to attract private equity funds. The real economy has dried up, even though the liquidity and investors are there and France has the brains and sectors of excellence.

**P.M.:** One of the advantages of investment funds is that they can be adapted to all shareholding and client configurations, from start-up to venture capital, through capital transfer and the globalization of companies. Certain funds even create compartments in response to the various company sizes and problems. And let's not forget



**MAXENCE BLOCH**  
ASSOCIATE LAWYER – KWM

business angels, who are present in a small segment but who are also targeted by the Macron law, which wishes to incite them to take further risks. In short, France can largely respond to all sizes and configurations. The AFIC makes sure!

**You accompany large international groups, as well as SMEs and SMIs with their growth projects. What are the investment specificities for SMEs and SMIs?**

**M.B.:** What is specific and inescapable in mid cap is the proximity created with management. These companies, which have successfully completed the first stage of their development, are often in transition – particularly at the managerial level, disorganized, with all kinds of problems to resolve. To reach the next level, they have to learn how to structure their processes and change their attitudes. Only a deep, direct, close and regular relationship with the investor and the company's management teams can make these fundamental shifts possible. Proximity, dialogue and mutual trust are key to a transformation's success.

**P.M.:** I see one major specificity; tighter management whose time is restricted. The daily running of an SME/SMI involves management to an even greater extent than would be the case for a large international company. This is why, in mergers & acquisitions, we have to consider the time spent by management to successfully conclude transactions with SMEs or Intermediate-sized businesses. This is why we have to be extra vigilant for the tax and financial aspects, since they don't always benefit from the same attention as in a major group. Our responsibility to SMEs or SMIs is greater. Faced with the management of an SME/SMI or intermediate-sized business that is often alone and isolated, private equity must position itself as a solid and dedicated partner. I believe private equity plays an almost unparalleled role since no one else oversees its investment with such a watchful eye.



### What are the SME/SMI challenges over the next ten years?

**M.B.:** For companies that have survived the downturn, the challenge is to continue to create value. To accomplish this, they have to innovate and globalize. Private equity provides the money and the capacity – human and technical - to complete these projects. It is in terms of international expansion that it is most crucial. Didn't Eurazeo PME open the door to China for DESSANGE International and Colisée, in particular? The shareholder's accompaniment is also essential in the company's global structuring.

**P.M.:** They have to act based on three levers: external growth, international expansion and digital transition. To help them develop is to provide them with sufficient capital, for whichever lever is activated. The fourth lever consists in optimizing the company's organization, and this is where the social and societal criteria that govern quality and processes enter into play.

### Private equity increasingly includes social and societal criteria when analyzing companies. Why?

**P.M.:** Because it follows or precedes a trend on the part of society that requires greater transparency, a more collaborative economy, etc. The fact that private equity, which has always been highly innovative, includes social and societal criteria when analyzing a company does not surprise me, since this follows an historical pattern. Olivier Millet and Eurazeo PME are precursors in this area. Today, this process has become almost obligatory when you invest in a company that has hundreds or thousands of employees who are also citizens. In the US, which is not a land given to poetry, the stock market has entire categories of companies that are in specific compartments and that are judged in the light of these social and societal practices. I think that it is first and foremost a conviction before being a pragmatism. This approach is nevertheless fundamental for us as citizens.

**M.B.:** To not do CSR is to lose clients for companies and stop private equity from raising capital. By encouraging companies to act differently at the request of investors, CSR is an intelligent means of regulating behavior, outside



**PATRICK MAUREL**  
CHAIRMAN – NATIXIS PARTNERS

the rule of law produced by the legislator. While CSR does create constraints with additional financial costs, the mid-term gamble is to win in terms of both the IRR and the collective well-being. Therefore, CSR does indeed create value.

### What are the key factors of an investment that generates shared growth?

**P.M.:** A sound investment must combine financial performance with progression in the business model. A model that can better deal with its markets, develop internationally and transition to the digital world. Beyond the financial performance, you have to examine a company's DNA, and understand the past, present and future story it has to tell. It's the equity story. If there's a story to tell, the investment will be sound. When a company has a direction and a vision and develops its market, the financial performance will necessarily follow.

**M.B.:** A key factor is the timing of the disposal in relation to the market and the company's transformation objective. A disposal means selling the future and not the past. To reassure those involved, you have to sell during an upswing. In this mindset, properly communicating with management is indispensable so that the company is thoroughly prepared prior to this new stage in its development.

# OUR STRATEGY

## Close cooperation to shape tomorrow's companies

In a society that is undergoing profound change, with a volatile and competitive economic environment, our mission remains the same: to be an active and professional shareholder that accelerates the transformation of adaptable, enhanced and globalized SMEs and ISBs. To meet the new challenges that are confronting both private equity and European SMEs, we uphold an approach that is attractive, adaptable and responsible.



### ATTRACTIVE

To be appealing, is to be a privileged partner to investors and entrepreneurs. Pursuing the investment strategy that we have implemented over the last 10 years, Eurazeo PME remains a long-term and majority professional shareholder that invests in French SMEs valued at between €50 and €200 million. With the success of the Eurazeo PME II capital-raising, of €520 million, €364 million provided by Eurazeo and €156 million raised with French and international institutional investors, Eurazeo PME can carry out new and promising investments. Our objective is to pursue this momentum and offer our investors an internal rate of return that is among the market's best. We pledge to accompany SMEs with strong growth potential, particularly at the international level, to accelerate their transformation by providing them the necessary financial resources and our expertise. The company profile we are seeking remains the same: significant maturity in the core business, quality management, recurring cash flows and solid growth prospects, particularly on the international front. Thanks to

the financial and human resources we provide, companies can transform themselves over the long term and thus increase their value. Finally, we ensure that our network of institutional investors has a diversified mix of European and American players, backed by our rigorous management and reporting transparency.

**“In its constant search for new teams, Eurazeo PME allows us to invest in the French mid-market, a priority for Alpinvest in Europe. The top-notch team combines working experience alongside local business leaders with a prospective vision of their industry, in order to accompany their international development.”**

**CHRISTOPHE NICOLAS** - ALPINVEST  
INVESTOR IN THE EURAZEO PME II FUND

## ADAPTABLE

2

To be adaptable, is to take full advantage of market opportunities by anticipating the accompaniment needs of our companies and reinforcing our internal and external expertise.

Internationalization, the digital shift and the collaborative economy have a direct impact on our business model and that of our investments. Over and above our financial expertise, we have to develop an in-depth understanding of our ecosystems and hone our intelligence. Indeed, the entrepreneurs that solicit Eurazeo PME are not simply seeking financial support to achieve their long-term growth projects, but above all a team of audacious, committed, stimulating

and enthusiastic experts to assist them with the to master of these new disruptive models. As we manage risk, we must prepare our companies for a triple challenge: combining flexibility, innovation and collective ability; reconciling economic performance and value sharing over the medium and long term; mobilizing the values that are commitment, cooperation and trust. Thanks to the Eurazeo teams, we have reinforced some of our expertise regarding legal, digital, corporate social responsibility, human resources and communications functions.

We also rely on Eurazeo's international network to help our companies with their international expansion.

3

## RESPONSIBLE

To be responsible, is to be a mid and long-term shareholder that participates in the creation of permanent value for all.

Our CSR strategy, defined jointly with Eurazeo's CSR Department, has four focal points: invest responsibly, establish exemplary governance, create sustainable value and be a vector of change in society. We roll out this road map, together with a 2020 progress plan, within each of our portfolio companies and encourage the exchange of best practices. The accompaniment of investments is as much strategic as it is practical, with the creation of dedicated committees, the preparation of diagnostics, CSR reporting and carbon assessments, and the sharing of information between the portfolio companies.

### Eurazeo PME is leading the way in CSR

The first private equity player in France to sign the UN Principles for Responsible Investment in 2009, Eurazeo PME has pledged to include non-financial criteria in its investment strategy and management.

Eurazeo PME has also contributed to the sustainable development club of the Association Française des Investisseurs pour la Croissance. The association's primary objective is to facilitate exchanges between its members regarding best CSR practices.

As part of its ongoing commitment, the team within Eurazeo PME is significantly involved in the fight against climate change. Under the 2020 Carbon Initiative signed in 2015, it will gradually publish the carbon footprint of all its investments.

# OUR ORGANIZATION

## capitalizing on our resources, our governance and our partnerships

ANTICIPATE THE FUTURE



Erwann Le ligné  
Associate Director

Elisabeth Auclair  
Chief Financial Officer  
Member of the Executive Board

Olivier Millet  
Chairman  
of the Executive Board

Pierre Meignen  
Associate Director

Emmanuel Laillier  
Member of the Executive Board

Mathieu BETRANCOURT  
Investment Director,  
Joanne DUBAIL  
Investment Director,  
Paul VAISSIÉ  
Investment Director,

Rafaëlle FAIBIS  
Associate,  
Clément MORIN  
Associate.

In addition to its investment team, Eurazeo PME relies on effective internal functions and expertise:

Clara Chatillon, finance controller, and Véronique Dubois, head of accounting, produce and control the financial reporting,  
Sophie Flak and Noëlla de Bermingham coordinate the CSR strategy of Eurazeo and Eurazeo PME,

Nicolas Becque is the fund management officer,

Sophie Botzke is the executive assistant and communications officer,

Amélie Jaran is the team assistant.

## What they say about their business

At a roundtable discussion, some ten or so Eurazeo PME professionals were questioned on their business and how they conducted it, their convictions and ambitions, their vision of CSR and their relationships with the portfolio companies. Zoom on a few quotes illustrating the state of mind of a team that is motivated and involved.

### OUR BUSINESS IS CHANGING AND SO ARE WE...

"The challenges and issues of adaptation are constantly changing. The most recent – digital transition and CSR – were completely absorbed and integrated in the transformation process of our investments. To such a degree that they naturally feed into all our actions and thinking."

"2008 was a landmark year for our business. The paradigm has shifted; the holding periods are longer. Now you need a true economic and industrial project for our investments."

"In our business, you have to be up to speed about everything that is going on, follow the major trends, and anticipate major social changes. We have thus developed an intelligent monitoring system that is fed by multiple exchanges with an ecosystem of professional associations, specialized networks, senior advisors, local experts on four continents, regular discussions with our investments ..."

### PROXIMITY, A KEY SUCCESS FACTOR

"Proximity represents a great deal of discussion, dialogue and reassurance. It is explaining and providing visibility to managers. It is a human adventure where you almost become a 'work colleague', going far beyond the shareholder/ investment relationship. These relationships are so strong that they often continue after the exit from the portfolio, as was the case with Gault & Frémont, Cap Vert Finance, and IMV Technologies."

"Proximity is creating confidence by providing our competencies and business expertise. It is teaching, from the moment of the acquisition, through the consolidation of the accounts for example, or helping with the transition to international standards when we accompany the transformation of an SME into an intermediate-sized business."

"To be close is to be transparent and frank in the dialogue with our investments. Some things are ok while others have to be improved. We don't always see eye to eye, but we consult each other until we come to an agreement. We are not looking for a weak consensus, but a common position that is good for business."

\* Mathieu Betrancourt, Joanne Dubail, Paul Vaissié, Rafaëlle Faibis, Clément Marin, Clara Chatillon, Véronique Dubois, Sophie Flak, Noëlla de Bermingham, Nicolas Becque, Sophie Botzke and Amélie Jaran.



## A STATE OF MIND...

"Private equity is above all about personalities. At Eurazeo PME, we have a particular mindset that combines systemic thinking with an ability to anticipate, rooted in a confidence that comes from a ten-year track record."

"What I find exciting about Eurazeo PME is the appetite for innovation. Each time we get an idea that will make "the big leap," it is always very welcome, and often accepted."

"Boldness guides all our actions. You can't deny the ambition of the Peters Surgical investment in India with such a divergence in economic and legal traditions, the purchase of one of the largest US hair salon networks with DESSANGE International, or the establishment of Colisée in China in an emerging medical-social segment!"

## CSR AT THE CORE OF OUR DNA



"CSR has become a key decision factor when concluding a deal. We only invest in companies that have this awareness; and we can decline an opportunity based on this factor. It is truly an issue that is specific to Eurazeo PME. In addition, at the time of due deals, our co-investors are often surprised that everything is sifted through CSR."

"With CSR we put sensitive issues on the table that we would never have tackled otherwise. For example, thanks to the work with DESSANGE International, the company now uses oils from certified plantations with strong guarantees in terms of the protection of biodiversity."

"The working environment is incredible. We are on a ship with a captain who knows the course, with a real strategy and real values. We are confident in management."



## WHAT MOTIVATES US

"We are a large family. Management devotes a lot of time and attention to anything that influences team building, such as the marathons in New York, Berlin and Chicago. It knows how to create a team dynamic and a stimulating environment."

"What is exciting is the diversity of the business and situations covered. It is never 'routine.' Because we have to be fully mobilized. Accompanying decisive projects for companies and their employees is a real responsibility!"

"It's exciting to see the leverage impacts of CSR on not just one company but a dozen at once."

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## Here we are Chicago!

On October 11, 2015, 11 runners from our team were among the 45,000 participants in the Chicago marathon, fittingly supported by Eurazeo PME. An exceptional endurance trial in the city by the lake, which attracts runners from around the world each year. All the participants in this second edition passed the finish line with times ranging from 2 hours and 53 minutes to 5 hours.

"Physical and sporting activity is a formidable integration vector. Arriving in a new entity and finding common values greatly facilitates the identification with others and membership in a common project."

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# Drawing the best from our external partnerships

## AN EXPERIENCED TEAM AT THE HEART OF A COMMUNITY OF EXPERTS

1

We believe that value creation over the long term is based on close cooperation with the companies' management teams. Accordingly, we recruit the best talents and, with the help of external experts, train teams that are open and flexible and fully focused on the future challenges of our investments. The Eurazeo PME team comprises 15 professionals that work with managers, respond to their needs and readily provide personalized and permanent solutions. Through some forty investments, our professionals have acquired extensive experience in business transformation and international growth. Eurazeo PME also benefits from the business development expertise of Eurazeo, particularly via its offices in China (Shanghai) and Brazil, as well as the group's corporate expertise in terms of risk management, investor relations, CSR and human, legal and digital resources. More generally, we regularly work with a panel of external service providers: lawyers, bankers, business providers and consultants<sup>(1)</sup>.

### You're working on several projects with Eurazeo PME. What are the company's strengths?

**Maxence Bloch:** Eurazeo is a professional client that is easy to get along with! A lot of people at my firm like working with them. It's a steady, solid team, with true human values. It acts according to clear rules and under true leadership. It's a team that knows where it's going and how to get there. It advocates a culture of excellence without being aggressive. Valuable assets for SME/ISB investment.

**Patrick Maurel:** Being a shareholder is very much a business and Eurazeo PME carries it out with precision. It picks its battles and is judicious in its investments. As a stakeholder, it does a considerable amount of work by introducing solid business processes. The fact that Eurazeo PME builds up virtually all its investments bears mentioning since this is quite rare. Nearly all of them grow externally during the period they are held.

2

## A COMMUNITY UNITED THROUGH COMMON VALUES

Alongside management, our professionals are the leading architects of our shared successes. We strive to further their technical and analytic excellence in the areas of finance and business transformation. We also develop their ability to challenge preconceived notions, gain intelligence and take bold initiatives, while never compromising the ethical requirement. Eurazeo PME has established a variable compensation system within the management team, which is consistent with its collegial functioning. Performance-related compensation criteria are calculated based on overall fund performance and not on an individual investment basis.

Finally, in order to integrate long-term solutions, it is necessary to unify all the partners according to a set of common values: professional commitment, respect of individuals and the environment, integrity, loyalty and boldness. We apply these principles in our relations with our various stakeholders.

## SOLID AND RESPONSIBLE GOVERNANCE

3

For Eurazeo PME, transparent and robust governance is key to the company's success and plays a central role in strategic decision-making. Eurazeo PME is a company with an Executive Board and a Supervisory Board; the operational functions assigned to the first body are strictly separate from the control functions assumed by the second. Our governance bodies, whose roles and tasks are clearly defined, allow us to anticipate and respond to the major challenges of our company and our investments. We also endeavor to establish exemplary governance in all our investments.

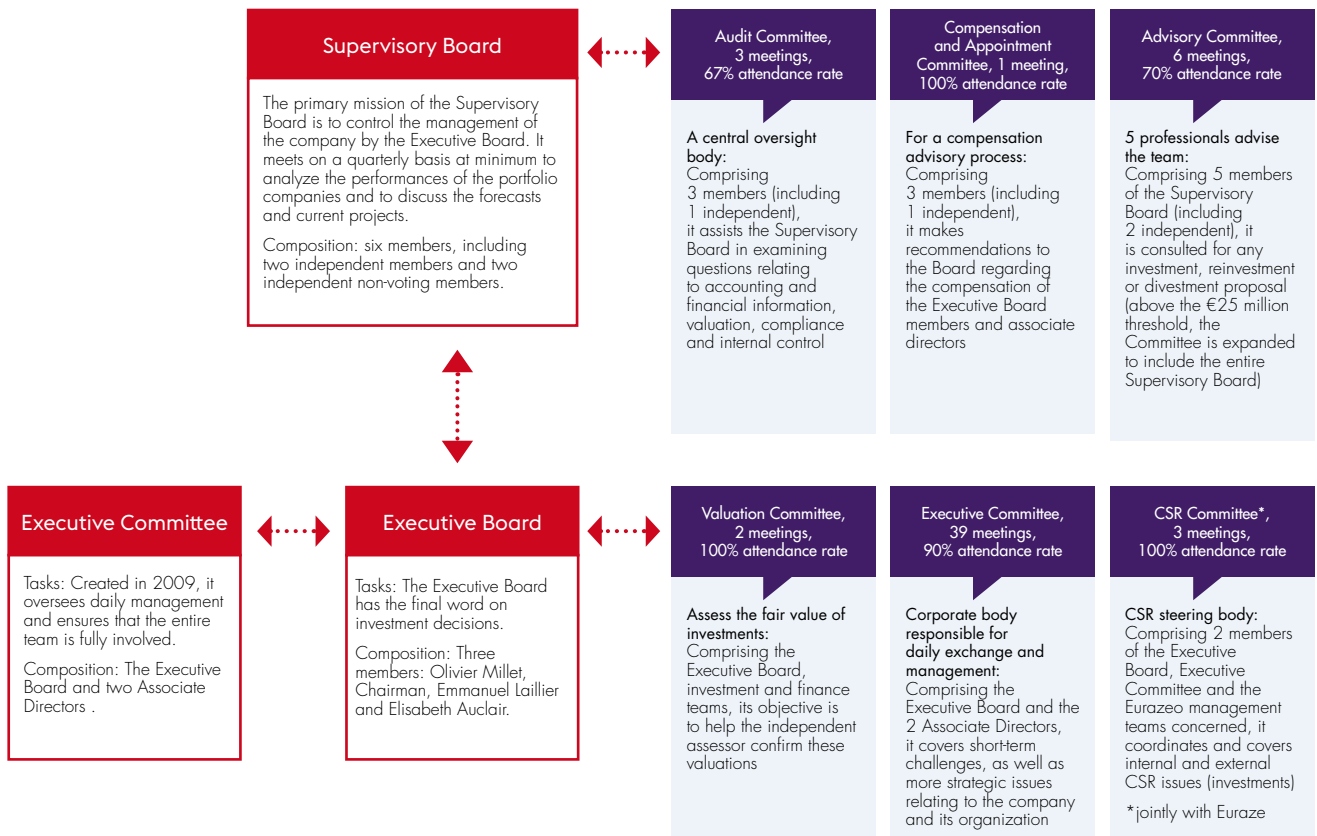
(1) The mapping of Eurazeo PME stakeholders is available at the Eurazeo PME website: [www.eurazeo-pme.com](http://www.eurazeo-pme.com)

# GOVERNANCE

## that is adapted to the challenges of our company

Eurazeo PME is a company with an Executive Board and a Supervisory Board; the operational functions assigned to the Executive Board are strictly separate from the control functions assumed by the Supervisory Board.

ANTICIPATE THE FUTURE



### Solid and responsible governance

For Eurazeo PME, transparent and robust governance is key to the company's success and plays a central role in strategic decision-making.

Our governance bodies, whose roles and tasks are clearly defined, allow us to anticipate and respond to the major challenges of our company and our investments. We also endeavor to establish exemplary governance in all our investments.



## EXEMPLARY GOVERNANCE IS VITAL

1

It is a means of ensuring the confidence of investors and the integrity of companies. This is essential for the latter in terms of the financing of long-term investments and capital-raising.

Eurazeo PME has paid attention to the principles of responsible corporate governance for ten years. We believe that governance is most effective when it encourages an entrepreneurial spirit while ensuring risk management, the coherence of the corporate project and respect for stakeholders.

Eurazeo PME ensures that all its portfolio companies have exemplary governance bodies through its CSR approach. We have thus initiated a process to harmonize corporate governance standards within our portfolio companies. This effort was mainly concentrated on the composition of the governance bodies, the independence criteria of directors and the role of committees. Among the "CSR musts" proposed to the portfolio companies are the audit and compensation committees.

## IT IS BASED ON THE INVOLVEMENT OF ALL...

2

Eurazeo PME adheres to the highest standards in the conduct of its activities, particularly in terms of respect for human, social and environmental rights. We expect all our employees to comply on a daily basis with ethics standards and the statutory and regulatory requirements. As part of their professional activities, each employee of Eurazeo PME or the companies that make up his or her portfolio must demonstrate integrity and comply with the applicable laws and regulations in all circumstances.

## ... AND ON DIALOGUE AND TRANSPARENCY

3

The progress of each portfolio company in terms of social, societal and environmental impacts is regularly measured and the objectives adjusted on an annual basis. We also ensure that our investments develop long-term relationships with their stakeholders.

**50%** OF COMPANIES  
HAD AN AUDIT COMMITTEE AND  
A COMPENSATION COMMITTEE  
IN 2015 (17% IN 2014)

## Anticipate risks and opportunities to improve their management

Beyond its regulatory nature, we are convinced that risk management is a management lever for both Eurazeo PME and our investments, since it contributes to the creation and preservation of value, assets and our reputation. It seeks to anticipate the principal events that could significantly affect the company, thus securing decision-making.



### AN ORGANIZATION DEDICATED TO RISK MANAGEMENT

Monitored by the Supervisory Board, risks and opportunities are managed by the Executive Committee which decides the measures to undertake to best develop opportunities and minimize risk.

The Eurazeo PME Supervisory Board has an Audit Committee with three members, one of whom is independent. It assists the Supervisory Board with the monitoring of issues relating to the preparation and verification of accounting and financial information, as well as with the efficiency of the internal control and risk management systems.

To this end, it is supported by Eurazeo's expertise. Accordingly, the Eurazeo Internal Audit Director, who holds a compliance and internal control officer license, is responsible for compliance and internal control. His primary duties are to ensure compliance by all employees with professional obligations covering all the company's activities and to guarantee the efficiency of the risk management system. In the event of a warning, the compliance and internal control officer informs Eurazeo PME management, proposes corrective measures and monitors their implementation.

### RISKS ANTICIPATED AT EACH STAGE OF THE BUSINESS MODEL



Anticipation is key in our business as an investor and responsible shareholder. While collective intelligence and a thorough understanding of the environment of our companies is crucial to the success of our investments, it bears noting that each stage of our business model is subject to specific risk monitoring, with adapted audit and internal control tools and processes.

We privilege a holistic approach, which is to say that we analyze the financial and CSR risks of the company and its

ecosystem. CSR allows us a more comprehensive analysis of the of the company's challenges – particularly regulatory -, risks and opportunities.

When a company is acquired, we introduce governance and an internal control system that is flexible, proactive, open and known by all. The intent is a realistic and adapted approach that is in phase with the operational needs and maturity of the company.

Our ongoing dialogue with the portfolio companies means that we can compare our analyses, justify our strategies and support our decisions in all transparency. However, as we reduce management risk, we nevertheless remain audacious in our choices. Indeed, well-organized risk management provides management with an objective and overall vision of the company's potential threats and oppor-

tunities, the ability to take measured and informed risks and thus back their investment decisions, particularly at the international level. It also provides each employee with the understanding and information necessary to identify and monitor risk, with respect to the objectives he or she has been assigned.

## Eurazeo PME material risks

Selected based on risk mapping <sup>(1)</sup>.

RISKS	DESCRIPTION	RISK MANAGEMENT
<b>RELATED TO CHANGES IN COMPANY FINANCING</b>	Replacement of private equity with unconventional and disintermediated sources of financing (crowdfunding) and access to low-rated debt	Promotion of the specific expertise offered by the majority shareholder in the company's transformation
<b>RELATED TO THE LEGAL AND TAX ENVIRONMENT</b>	Exposure to significant penalties in the event of violation of the strict rules enacted by the AMF governing oversight of the activity (fraud, fight against money laundering and terrorist financing, etc.).	Human resources (CFO, CICO, Audit Committee, etc.) and stringent risk control processes (multi-party review of fund flows, anti-money laundering procedure and due diligence, production progress reporting verified by the CICO, etc.)
<b>RELATED TO THE INVESTMENT STRATEGY AND DUE DILIGENCE</b>	Decrease in the value of the businesses in the event of an economic decline. Poor assessment of the company's growth potential	Resilience of the companies sought: international potential, experienced management, strong competitive edge, entry barriers, visibility of and low exposure to economic trends; extensive due diligence review
<b>RELATED TO CORPORATE GOVERNANCE</b>	Transformation project called into question in the event of departure(s) of key personnel (support, change management, etc.)	Association of executives and employees with value sharing, robust operational governance
<b>RELATED TO THE INVESTMENT CAPACITY OF HOLDINGS</b>	Insufficient liquidity to finance investment opportunities (refinancing of investments + external growth transactions) in a transformation project	Investment strategy based on a permanent reinvestment capacity (30% of investments devoted to additional investment on average)
<b>RELATED TO AN DIVESTMENT</b>	Market turnaround at the time of sale: business cycles, new market players with disruptive innovations	Robust process to identify the right moment to monetize value creation while allowing the business to develop over the long term
<b>RELATED TO THE SUPERVISION OF MANAGEMENT TEAM TALENT</b>	Alteration of the deal flow and the relationship with all stakeholders should a key employee or manager leave	Development of a corporate project and an attractive system of remuneration
<b>RELATED TO TRANSPARENCY</b>	Communication of relevant and reliable information to Eurazeo (listed company) and other stakeholders (third-party investors, etc.)	Dedicated human resources and set-up of organizations and processes for the production of financial information
<b>RELATED TO REPUTATION</b>	Risks of incidents or bad practices within the stakeholders leading to controversies and a damaged reputation	Systematic CSR due diligence, support of Eurazeo PME for the portfolio companies and dedicated human resources, including a solid and adapted governance

<sup>(1)</sup> Risk mapping available on the Eurazeo PME website: [www.eurazeo-pme.com](http://www.eurazeo-pme.com)

# OUR DETERMINATION

## to create permanent value based on an alliance of managerial and shareholder talent

The contribution of investment companies can no longer be limited to seeking solid financial discipline, cutting costs and optimizing debt leverage. We have to transform businesses by preparing them for their future challenges, thus enabling them to reach a critical mass, particularly internationally, while guaranteeing a return for our investors.



### CREATING A RELATIONSHIP OF TRUST

ANTICIPATE THE FUTURE

The radical technological disruptions observed in the industry and services sectors will require greater flexibility on the part of the SMEs that we accompany. Central to the team's savoir-faire, the assistance we provide to the portfolio companies' management must anticipate these disruptions and the additional investments that will be necessary, in a context of mutual trust and commitment on behalf of the employees in our companies. From the signing of the letter of interest, we ensure that our exchanges with management are fluid and transparent. We jointly define a solid business plan and provide the financial and human resources to attain the objectives. This relationship of trust allows us to simplify decision-making processes, thus boosting the flexibility of our portfolio companies while controlling risk.

Every year, we pursue a clearly defined objective in each of our portfolio companies and are eager to reinvest to accompany them in their various growth phases. For example, since September 2014, Colisée has acquired or created 27 establishments, including 6 from the integration of Idéal Résidences in November 2015, thus reaching a total of 74 establishments and 5,586 beds.

The sale of a company is also a crucial moment, when trust between all the stakeholders is paramount. Our aim is to generate high profitability for our investors while safeguarding the company's long-term growth potential. A successful sale is not an end in itself, but rather the link with a new shareholder which can accompany the management teams towards new horizons. Based on its model, Eurazeo PME is not constrained by time and can therefore sell its investments at the right moment, both for its shareholders and its portfolio companies.

Being a long-term shareholder should not be a hard-and-fast principle but rather a conviction. If we agree with a company's managers that a sale would be profitable for all those involved, we must seize the opportunity to do so. Hence, Cap Vert Finance was sold for an enterprise value of €137 million, a multiple of 2x and an IRR of 39% in only 2 years. Concluded in cooperation with the company's management, this sale will enable the company to pursue the strategy rolled out since 2013, i.e. accelerate its international growth and boost its commercial impact by relying on the teams, investment network and strategic relations of the Carlyle Group.

OVER **50%** OF  
EXTERNAL GROWTH ACHIEVED  
ABROAD IN 10 YEARS

## REACHING A CRITICAL MASS AT THE INTERNATIONAL LEVEL

Despite their global reach, there are too few French intermediate-sized businesses in relation to our European neighbors. Organic or external growth at an international level must be central to the SME strategy. It is at once a means and a challenge for their development. However, significant restrictions can hinder the ambitions of certain entrepreneurs: a lack of resources, and above all the complexity of managing acquired companies.

Eurazeo PME teams assist the portfolio companies with their international development. Backed by the Eurazeo network, they have a thorough understanding of the economic fabric as it pertains to Europe, Asia and South America. The planned opening of a US office in 2016 will add to our flexibility on the North American continent.

Developing abroad requires perseverance and meticulous preparation. In addition to the cultural and language barriers, investing is complicated by new challenges relating to legislation, taxation or even local government relations. It is not a question of knowing whether to invest abroad, but rather understanding which markets to choose and how to penetrate them. We assist our investments at each stage of their external growth. The first phase consists in identifying and analyzing at their proper value the opportunities contained within these emerging markets. If there are numerous growth and build-up possibilities, we select them according to the road map jointly defined with the company's management.

For most of these investments, the company's business model must therefore be adapted to the specificities of regional clients. Understanding and specifically satisfying local demand are therefore essential. Having carried out numerous international growth transactions, we can quickly perform market analyses and rapidly identify the key elements. By forging close and trustworthy relations as early as possible with local partners and management, we can maximize the build-up's added value: this helps to plan out the development phases and create a consistent road map according to the selected model (sales office, green field, joint venture, acquisition).

Furthermore, we take care to build appropriate local business monitoring and reporting systems with management.

Finally, given the sometimes discouraging complexity and length of processes, we are able to step back and steer the course, based on our experience.

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### **Péters Surgical in India**

In 2015, Péters Surgical finalized the acquisition of Stericat, a surgical suture specialist in India. Carried out in tandem with the founder, the acquisition will be a stepping stone for the development of Péters Surgical in India, a strategic market with an estimated annual average growth rate of approximately 15%. The investment, which was facilitated by close cooperation between the Eurazeo PME teams and management, will serve as a basis for the group's future development in the region.

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## DEPLOYING THE BEST CSR PRACTICES

3

We are convinced that an effective CSR policy contributes to the generation of future cash flows. As a responsible shareholder, Eurazeo PME adopts and applies best governance practices in terms of transparency, independence, the set-up of oversight bodies, ethics in business conduct, dialogue with stakeholders, and non-financial risk assessment and anticipation. Eurazeo PME also encourages its portfolio companies to initiate one or more societal projects related to their activities.

### From a 2020 CSR strategy...

In 2014, Eurazeo defined a strategy complying with the best social, societal and environmental practices built around four focal points: invest responsibly, establish exemplary governance, create sustainable value and be a vector of change in society.

In keeping with the Group's CSR strategy, Eurazeo PME has defined ambitious qualitative and quantitative objectives for 2020. Therefore, a non-financial assessment of all companies is carried out when investing (acquisition or build-up) and divesting. Each portfolio company has been encouraged to set up a reliable CSR organization and

reporting, has promoted diversity and independence within its governance bodies and deployed the "CSR musts."

Finally, our companies are directly involved in the major programs that we launch on topics such as gender equality and responsible purchasing.

### ... to operational assistance

To facilitate the roll-out of the CSR strategy, Eurazeo PME and the Eurazeo CSR department have defined a road map available to all companies at the time of their acquisition. A genuine progress plan, with a commitment to quantified and valued objectives, it materializes CSR contributions in the creation of sustainable value .

Eurazeo PME also encourages its portfolio companies to initiate one or more societal projects related to their activities. For example, in November 2015, Colisée entered into a partnership with Prof Express in order to offer its employees' children - from CE1 to Bac+2 - personalized assistance with homework provided by teachers from the French Ministry of National Education. The aim: attract and strengthen the loyalty of future talents by offering them an exclusive service to assist them in their daily lives and promote their children's success at school.

**71%** OF COMPANIES  
HAVE DEPLOYED "CSR MUSTS"

**100%** OF  
DUE DILIGENCE PROCEDURES  
INCLUDED A CSR SECTION IN  
2015

INDEPENDENT DIRECTORS  
MAKE UP LEAST 30% OF  
**50%** OF COMPANIES







### Materialize the CSR contribution: measurement of avoided impacts

With the implementation of the road map in portfolio companies, Eurazeo PME has set up a financial assessment methodology to measure avoided social and environmental impacts.

Defined in conjunction with PwC, it measures the avoided impacts by comparing the year's consumption ratio with that of the reference year (the ratio of the year following the entry into the portfolio, or the first available year). The consumption ratio is calculated according to an operational





indicator or revenue: e.g. liters by number of persons served at Léon de Bruxelles.

In 2015, six companies including Dessange International, Léon de Bruxelles and Péters Surgical tested the approach on four resources (water, energy, fuel and human resources with a measurement of the impact of absenteeism). The aim is to gradually extend this analysis to all portfolio companies and monitor performances annually.

Portfolio companies			
Indicators measured			
Geographical scope	France – or <b>100%</b> of activity	France – or <b>70%</b> of activity	2 countries – or <b>80 %</b> of activity**
Year of reference	<b>2009/2011*</b>	<b>2011</b>	<b>2014</b>
Year of acquisition	<b>2008</b>	<b>2008</b>	<b>2013</b>

-  Water
-  Energy
-  Fuel
-  Absenteeism

For these 3 companies, more than **€3 million** were saved and nearly **400 tons** of CO<sub>2</sub> avoided.

Direct impacts			Measurement of expenditure avoided
	<b>81,000 hours of absence avoided</b>	Employee working time of a company with 45 FTE	Reduction in absenteeism and workplace accidents <b>€2,899,000</b>
	<b>78 million liters of water avoided</b>	Water consumption of 950 EU inhabitants	Reduction in water consumption <b>€216,000</b>
	<b>238 MWh of energy avoided</b>	Final energy consumption of 9 EU inhabitants	Reduction in energy consumption <b>€79,000</b>
	<b>48,000 Liters of fuel avoided</b>	17 times the earth's circumference traveled by car	Reduction in fuel consumption <b>€38,000</b>
	<b>Or 393 tons of CO<sub>2</sub> avoided</b>		<b>Total impacts €3,233,000</b>

The breakdown of analyses is available on the Eurazeo PME website

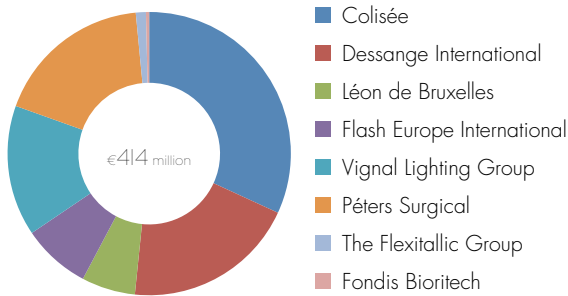
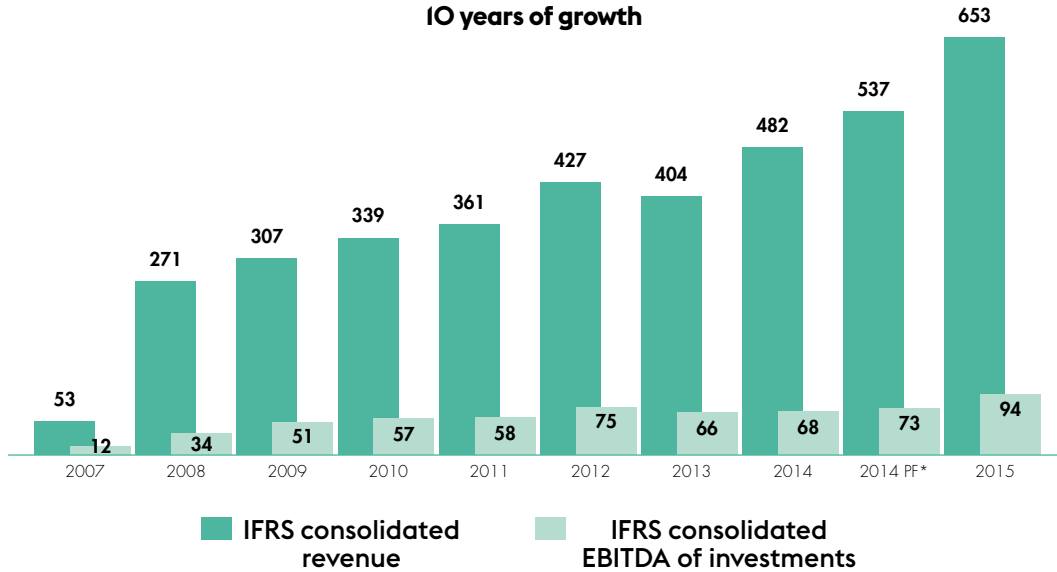
\* For Léon de Bruxelles, the year of reference is 2009 for social indicators, and 2011 for environmental indicators.

\*\* For Péters surgical, the scope was limited to France for social indicators.





### 10 years of growth



€414 million

**Portfolio valuation**  
Net Asset Value  
as of 12/31/2015

**Net Asset Value**  
as of 12/31/2015

6,587  
full-time employees

Active  
in over 100 countries

460,500 M<sup>3</sup>  
of water consumed

12,000 tons  
of CO<sub>2</sub> equivalent

\* PF: 2014 at 2015 scope

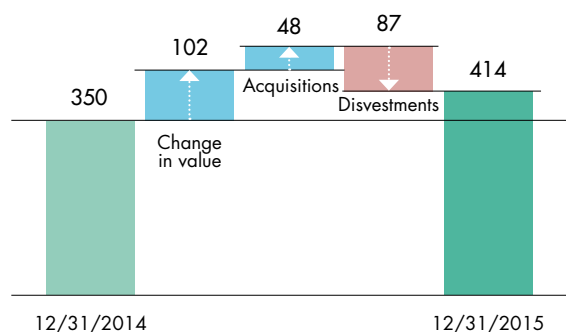
## Financial information

### Net asset value

As of December 31, 2015, the value of the portfolio under management amounted to €414 million (of which €131 million for third parties as part of the Eurazeo PME II funds raised in March 2015 with French and international institutional investors), compared with €350 million as of

December 31, 2014. The increase is due to scope impacts for €38 million and the increase in the portfolio value for €102 million, including €24 million through the monetization of the value created on the sale of Cap Vert Finance. Growth on a comparable scope basis stood at 26% for the year.

#### Asset value (M€)



<b>Portfolio at the beginning of the period</b>	<b>350.1</b>
<b>Scope</b>	
Acquisitions and external growth transactions	+ 48.3
Divestments	- 86.5
	- 38.1
<b>Value increase</b>	
Value increase / 1st revaluation	+ 55.9
Value increase / divestments	+ 24.1
EBITDA & multiples impact	+ 7.9
Debt reduction & shareholder loan interest	+ 14.6
Other	- 0.1
	+ 102.4
<b>Portfolio as of 12/31/2015</b>	<b>414.4</b>

### IFRS consolidated balance sheet (Extract)

<b>ASSETS</b> € million	<b>2015</b>	<b>2014</b>	<b>LIABILITIES</b> € million	<b>2015</b>	<b>2014</b>
Goodwill	274.7	312.0	Equity attributable to owners of the parent	202.4	170.2
Other intangible assets	362.8	322.0	Minority interests	120.4	110.2
Property, plant and equipment	120.4	108.3	<b>Total shareholders' equity</b>	<b>322.8</b>	<b>280.4</b>
Other non-current assets	51.4	25.4	Long-term borrowings	409.9	315.5
<b>Non-current assets</b>	<b>809.3</b>	<b>767.7</b>	Other non-current liabilities	119.3	95.2
Inventories and receivables	168.5	175.3	<b>Non-current liabilities</b>	<b>529.2</b>	<b>410.8</b>
Cash and cash equivalents	107.0	81.2	Short-term borrowings	35.5	163.5
<b>Current assets</b>	<b>275.4</b>	<b>256.5</b>	Other current liabilities	197.2	180.9
Assets held for sale		46.7	<b>Current liabilities</b>	<b>232.7</b>	<b>344.4</b>
<b>TOTAL</b>	<b>1,084.8</b>	<b>1,070.9</b>	Liabilities held for sale		35.3
			<b>TOTAL</b>	<b>1,084.8</b>	<b>1,070.9</b>
			Net financial debt	338.1	406.4

Equity attributable to owners of the parent amounted to €202 million as of December 31, 2015, compared to €170 million as of December 31, 2014. The change is primarily due to the net income for the year of + €27.8 million.

Minority interests essentially comprise the share of managers and other co-investors in the holdings.

Consolidated net debt decreased from €406 million as of December 31, 2014 to €338 million as of December 31,

2015, mainly due to scope changes during the year. As a reminder, these debts are without possible recourse to Eurazeo PME Capital, as it does not act as guarantor nor has it granted guarantees to any other portfolio company.

As of December 31, 2015, the consolidated net financial debt of investments stood at €314 million, representing a senior leverage of 2.9x their EBITDA over 12 months. All portfolio companies complied with the covenants governing their bank and mezzanine debts.

## Consolidated revenues of €652.9 million (+22%)

In 2015, Eurazeo PME Capital carried out two divestments, one acquisition and twelve build-ups:

- In February 2015, sale of the Gault & Frémont group, French leader in packaging solutions for the bakery sector, deconsolidated on January 1, 2015.
- In March, syndication with third party investors of 30% of Eurazeo PME II investments, via the mutual fund Eurazeo PME II-B.
- In July 2015, sale of Cap Vert Finance. The sale price for Eurazeo PME was €71 million, i.e. 55% higher than the NAV as of December 31, 2014. The company was deconsolidated on July 1, 2015.
- In June 2015, additional investment of €3.6 million in the Péters Surgical Group in connection of the acquisition of the Indian company Stéricat.

- In September 2015, acquisition of 43% of Flash Europe, European leader in same-day and sensitive premium freight.
- Finally, in 2015, the Colisée Group integrated 18 new establishments (six from the integration of Idéal Résidences in November 2015, eleven acquisitions and one creation).

Furthermore, in 2014, the scope included the consolidation of Vignal Lighting Group on March 1, 2014 and the consolidation of Colisée on October 1.

Revenue in 2015 totaled €652.9 million, up +22% on a comparable Eurazeo PME investment scope (adjustment in 2014 of the changes described below).

ME	12/31/2015**	12/31/2014	12/31/2014
Revenue from operations	652.9	482.1	537.1 Pro forma *
<b>EBITDA</b>	<b>83.0</b>	<b>64.4</b>	<b>69.9</b>
of which EBITDA of investments	94.1	67.9	73.5
% of revenue of the investments	14.4%	14.1%	13.7%
Depreciation, amortization and provisions excluding intangible assets	-18.3	-15.0	
<b>EBIT</b>	<b>64.7</b>	<b>49.4</b>	
Depreciation, amortization and provisions including intangible assets	-6.5	-5.7	
Other operating income and expenses	12.8	-19.2	
<b>Operating income</b>	<b>70.9</b>	<b>24.5</b>	
Finance cost	-25.7	-18.2	
Income tax	-11.2	-3.3	
<b>NET INCOME</b>	<b>34.0</b>	<b>3.1</b>	
Net income attributable to equity holders of the parent	27.8	2.8	
Résultat part des minoritaires	6.3	0.3	

Pro forma \*: 12/31/2014 at 2015 scope

\*\* : data excluding Flash Europe acquired in September 2015 and representing revenue of €41 million for Q4 2015

Revenue from operations amounted to €652.9 million for 2015, up +22% on a comparable scope basis.

## The year 2015 marked sharp growth in the portfolio companies

Since Eurazeo PME's investment in September 2014, the Colisée Group has acquired or created a total of 27 establishments, including 6 from the integration of Idéal Résidences in November 2015, thus giving a total of 74 establishments and 5,586 beds. Restated for the acquisition of the Asclépios Group in October 2014, the Group's revenue increased by +18% compared with December 31, 2014.

Péters Surgical Group revenue grew +14%, after restatement for the build-ups carried out in April 2014 and June 2015, particularly due to its solid export business. Péters Surgical continued the integration of Stéricat, a build-up in India, and its own international expansion, with the opening of Péters Polska in September 2015.

Vignal Lighting Group, acquired in February 2014, reported an +8% increase in revenue, primarily due to the synergies deployed between the Group's traditional activity and that of ABL Lights, integrated in April 2014, and orders for LED technology products.

Dessange International recorded revenue growth of +3%, mainly due to excellent sales of its Fantastic Sams licenses, and products in the US. On January 29, 2016, Dessange International announced the acquisition of 61.75% of Coidd'Idis, the French leader in the distribution of products and equipment for hair salons. The company reported revenue of €36 million in 2015.

Léon de Bruxelles revenue declined slightly compared with December 31, 2014, hindered by the combination of a difficult economic context and the Paris terrorist attacks in 2015.

Flash Europe, acquired on September 30, 2015 and which will be consolidated from January 1, 2016, reported +9% revenue growth for the year ended December 31, 2015. The company has pursued its expansion in the European market with new contract wins and the opening of a new office in Barcelona.

# Non-financial information

## 2015 results - CSR strategy

	Ambitions	2020 Objectives	2015	2014
1	<b>INVEST RESPONSIBLY</b> Integrate CSR at all stages of the investment cycle	<ul style="list-style-type: none"> <li>100% of due diligence in the advanced study phase of acquisitions to incorporate a CSR section <sup>(1)</sup></li> <li>100% of portfolio companies to perform CSR reporting</li> <li>100 % of divestment operations to incorporate CSR information</li> </ul>	100%	100%
2	<b>ESTABLISH EXEMPLARY GOVERNANCE</b> Ensure that all companies have exemplary governance bodies	<ul style="list-style-type: none"> <li>100% of companies to have at least 40% women directors on the Board <sup>(2)</sup></li> <li>100% of controlled companies to have at least 30% independent directors on the Board <sup>(2)</sup></li> <li>100% of companies to have an Audit Committee and a Compensation Committee</li> </ul>	17%	0%
3	<b>CREATE SUSTAINABLE VALUE</b> Ensure that all companies have a CSR progress plan	<ul style="list-style-type: none"> <li>100% of portfolio companies to have deployed Eurazeo's "CSR essentials" <sup>(3)</sup></li> </ul> <p>The 7 "CSR essentials" <sup>(4)</sup></p> <ul style="list-style-type: none"> <li>Appoint a CSR manager</li> <li>Establish annual CSR reporting</li> <li>Create an operational CSR committee</li> <li>Include CSR issues on the agenda of Board meetings at least once a year</li> <li>Conduct an environmental and/or greenhouse gas assessment every three years</li> <li>Perform a social barometer every three years</li> <li>Conduct CSR audits of priority suppliers</li> </ul> <ul style="list-style-type: none"> <li>100% of portfolio companies to have quantified CSR progress targets</li> <li>100% of portfolio companies to be involved in at least one CSR acceleration program <sup>(5)</sup></li> </ul>	71%	52%
4	<b>BE A VECTOR OF CHANGE IN SOCIETY</b> Ensure that all companies improve their societal footprint	<ul style="list-style-type: none"> <li>100% of portfolio companies to improve the protection and well-being of employees</li> <li>100% of portfolio companies to share value created or company profits with employees</li> <li>100% of portfolio companies to reduce their environmental impact</li> </ul>	67%	67%
			100%	83%

(1) Due diligence is deemed to be in the advanced study phase when legal due diligence has been performed. The indicator covers all companies reviewed, including those that were not ultimately acquired.

(2) On Supervisory Boards (SB) or Boards of Directors (BD).

(3) The result is expressed as an average percentage of actions undertaken by the companies (change in methodology compared to 2014).

(4) The results are expressed in the number of companies.

(5) Eurazeo PME has three CSR acceleration programs: environmental footprint, gender equality and responsible purchasing. An environmental footprint (or Life Cycle Analysis) measures energy consumption, the use of raw materials and environmental emissions, as well as potential environmental impacts associated with a product, a process or a service, over the entire life cycle (based on the ISO 14040 definition).

Companies included: Colisée, Dessange International, Eurazeo PME, Léon de Bruxelles, Pétters Surgical and Vignal Lighting Group.

Full methodology available on the website [www.eurazeo-pme.com](http://www.eurazeo-pme.com)

## 2015 results - CSR indicators

### LABOR RELATIONS

WORKFORCE (permanent workforce, number of employees) <sup>(1)</sup>	Eurazeo PME	Eurazeo PME & subsidiaries
Number of employees	15	4,937
Percentage of women	57%	70%
Percentage of permanent employment contracts <sup>(2)</sup>	100%	89%

*The coverage rate for Eurazeo PME and its subsidiaries was 100% of the Grenelle scope.*

HIRES (permanent workforce, number of employees)	Eurazeo PME	Eurazeo PME & subsidiaries
Total hires	2	1,262

*The coverage rate for Eurazeo PME and its subsidiaries was 100% of the Grenelle scope.*

TRAINING (permanent and non-permanent workforce)	Eurazeo PME	Eurazeo PME & filiales
Total number of training hours	87	71,570
Training expenditure (in thousands of euros) <sup>(3)</sup>	11	1,709

*The coverage rate for Eurazeo PME and its subsidiaries was 100% of the Grenelle scope.*

### SOCIETAL

SPONSORSHIP - FINANCIAL SUPPORT (in thousands of euros)	Eurazeo PME	Eurazeo PME & subsidiaries
Amount allocated to associations and NGOs	23	103

*The coverage rate for Eurazeo PME and its subsidiaries was 100% of the Grenelle scope.*

- (1) The permanent workforce corresponds to all employees under open-ended contracts.
- (2) The total workforce combines total permanent and temporary (employees under open-ended or fixed-term contracts).
- (3) Training expenditure does not include employee costs.

### ENVIRONMENT

ENERGY CONSUMPTION EXCLUDING FUEL (in MWh)	Eurazeo PME	Eurazeo PME & subsidiaries
Electricity	71	47,934
Renewable energies	10	453
Natural gas (in MWh NCV)	0	33,604
Heavy fuel oil and heating oil	0	481
Other energies (other gases, urban networks)	0	0
<b>Total energy consumption</b>	<b>81</b>	<b>82,472</b>
Energy expenditure (in thousands of euros)	9	6,345

*The coverage rate for Eurazeo PME was 100%. For Eurazeo PME and its subsidiaries, it was 87-100%.*

WATER CONSUMPTION (in m <sup>3</sup> )	Eurazeo PME	Eurazeo PME & subsidiaries
Water consumption	192	460,492
Water consumption expenditure (in thousands of euros)	0.6	1,254

*The coverage rate for Eurazeo PME was 100%. For Eurazeo PME and its subsidiaries, it was 97-98%.*

CO2 EMISSIONS <sup>(4)</sup> (in tons of CO <sub>2</sub> equivalent)	Eurazeo PME	Eurazeo PME & subsidiaries
Scope 1 <sup>(5)</sup>	2	7,610
Scope 2 <sup>(6)</sup>	5	4,369
<b>Total</b>	<b>7</b>	<b>11,979</b>

*The coverage rate for Eurazeo PME was 100%. For Eurazeo PME and its subsidiaries, it was 59-100%.*

- (4) Emission factors used to convert the activity data. 2006 Intergovernmental Panel on Climate Change (combustibles and fuel) and the International Energy Agency (electricity consumption) following the methodology of the Greenhouse Gas Protocol.
- (5) Scope 1 emissions are emissions from fuel consumption on site (gas, oil, etc.), fuel consumption in vehicles and leakage of refrigerant substances.
- (6) Scope 2 emissions are emissions caused by the generation of electricity, steam, heating or cooling bought and consumed.

# Our governance principles: transparency and independence

## A robust governance model

Eurazeo PME is a company with an Executive Board and a Supervisory Board; the operational functions assigned to the first body are strictly separate from the control functions assumed by the second.

### THE SUPERVISORY BOARD

The Supervisory Board has six members — including two independent members — and two independent non-voting members. Consulted by the Board, the non-voting members contribute their expertise and knowledge of the Eurazeo PME context.

The Supervisory Board comprises an Audit Committee and a Compensation Committee, with three members, including one independent member.

#### Virginie Morgon

Virginie Morgon supervises Eurazeo's investments. She chairs the Supervisory Board of Eurazeo PME and Asmodee, is Vice-Chairwoman of the Board of Directors of Moncler, a director of AccorHotels and Desigual and a member of the Supervisory Board of Elis. She supervises deal flow, communication, the NAV and fundraising.

#### Bruno Keller

Advisor to the Chairman of the Eurazeo Executive Board, having been Chief Executive Officer and member of the Eurazeo Executive Board from May 2002 to May 2015. Bruno joined Eurazeo in 1990 as Chief Financial Officer before being appointed Deputy CEO in June 1998. Previously, Bruno Keller held auditor (Price Waterhouse), CFO (Elf Aquitaine Finance department) and asset management (Indosuez bank) positions.\*

#### Philippe Audouin

Philippe Audouin is responsible for finance, treasury, management control, internal audit and risk management, IT, investor relations and communication. He sits on the Supervisory Boards of ANF Immobilier, Elis, Eurazeo PME and Europcar Group.

#### Frans Tieleman

Managing Director and Member of the Eurazeo Executive Committee, Frans Tieleman heads Eurazeo Development and is a member of the Executive Committee. He leads certain deals and coordinates the deal flow of Eurazeo teams. He also heads the fund management and co-investment team. Frans has participated in the acquisition and oversight of twelve investments in France, Italy and Spain and more recently Capzanine and InVivo NSA, as well as Asmodee, Eurazeo PME (formerly OFI Private Equity) and Moncler.

#### Patrick Dupuy

Independent member and Founding Chairman of Dardel Industries. Dardel Industries - IMBO of a division of Schlumberger Industries - is a diversified holding company specializing in capital goods and industry services.

#### Bernard Loth

Independent member representing Albingia. Bernard has worked at the insurance firms AZUR GMF, COVEA.

#### Christophe Karvelis

Observer and Associate Co-founder of Capzanine. Previously a member of the ABN AMRO CAPITAL Executive Management team, Christophe is also a director of Sofival and COFIP and a member of the investment fund committee of the Mulliez Group (Creadev).

#### Jean-Luc Bret

Observer and Chairman and founder of La Croissanterie. Jean-Luc is also the Chairman of PROCOS, the Federation for urban planning and the development of specialized trade with 250 major companies, and the Chairman of ISTECS.

\*Left his position on December 31, 2015 and resigned from the Eurazeo PME Supervisory Board on February 16, 2016.



## THE EXECUTIVE BOARD

The Eurazeo PME Executive Board has 3 members: Olivier Millet, its Chairman, Emmanuel Laillier and Elisabeth Auclair.

### Olivier Millet

Chairman of the Executive Board of Eurazeo PME – Member of the Eurazeo Executive Committee

Chairman of the Eurazeo PME Executive Board since 2005, Olivier Millet has also been Vice-Chairman of AFIC (the French Private Equity Association) since 2014. He was also Chairman of AFIC's ESG Commission from 2009 to 2015. Olivier Millet began his career as an entrepreneur in 1986 by creating Capital Finance. He then joined 3i (from 1990 to 1994), before moving to Barclays Private Equity France, where he contributed to the development and success of this pan-European fund for 11 years. In 2005, Olivier Millet became Chairman of the Executive Board of OFI Private Equity, an investment company floated on the stock market in 2007. In 2011, OFI Private Equity became Eurazeo PME and it is now a Eurazeo group subsidiary.

### Elisabeth Auclair

Member of Eurazeo PME Executive Board - Chief Financial Officer

After five years with Ernst & Young, Elisabeth Auclair held during 12 years various responsibilities within international groups owned by investment funds, the Imaje group (industry) and the GSE group (engineering/construction). Elisabeth joined Eurazeo PME in 2008 where she is Chief Financial Officer.

### Emmanuel Laillier

Member of the Eurazeo PME Executive Board

Emmanuel has 16 years' experience in private equity, which has given him the opportunity to lead a number of deals. He joined Eurazeo PME in 2011, bringing his prior experience in two private equity companies. He has participated in around twenty investments, particularly in the health sector. In Eurazeo PME, he has participated, in particular, in the acquisition or oversight of the investments in Péters Surgical, Idéal Résidences and Groupe Colisé.

## THE EXECUTIVE COMMITTEE

The Eurazeo PME Executive Committee comprises the Executive Board and two associate directors.

### Pierre Meignen

Associate Director – Member of the Eurazeo PME Executive Committee Pierre joined Eurazeo PME in 2005 and currently has 13 years' private equity experience. He has participated in more than 15 investments and particularly the acquisitions of MSH, IMV Technologies, Léon de Bruxelles, Dessange International, Cap Vert Finance and Vignal Lighting Group. He has significant experience in assisting companies with external growth transactions, notably in the Netherlands, Italy, the United Kingdom, the USA and China.

### Erwann Le Ligné

Associate Director – Member of the Eurazeo PME Executive Committee Erwann joined Eurazeo PME in 2006 after four years in acquisition finance. He has participated in seven investments in Eurazeo PME and several external growth transactions, notably in the USA, Canada, Belgium, the UK and India. Erwann participated in the acquisition of Flexitallic, Gault & Frémont, BFR Groupe, Idéal Résidences, Groupe Colisée, Péters Surgical, Flash Europe and Orolia.

PORTFOLIO  
COMPANIES

## Our 2016 investments

### OROLIA



A world leader in reliable GPS-type signals, Orolia is a high-tech group which provides security, compliance and operational control for critical systems and infrastructures used by its clients with positioning, navigation, timing, supervision and communication solutions, which can be used in harsh environments where terrestrial communication networks are inadequate.

JEAN-YVES COURTOIS: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**98** € MILLION IN  
2015 REVENUE

**9** ACQUISITIONS  
SINCE 2006

**80%** OF REVENUE  
GENERATED  
OUTSIDE FRANCE

### MK DIRECT

French leader in household linen with the brands Linvosges and Françoise Saget, MK Direct seeks to boost its European growth through the strength of its brands and its cross-channel model. Certified Entreprise du Patrimoine Vivant (Living Heritage Company), Linvosges has its own workshop in Gérardmer (Vosges), where linen articles are custom-made by highly qualified artisans. Located in Les Fougerêts (Brittany), Françoise Saget offers one of the market's most extensive product ranges, with 50% of new products each year.



**linvosges**  
L'AMOUR DU BEAU LINGE

MARIE-FRANÇOISE KERHUEL: CHAIR  
STÉPHANE POUMAILLOUX: CHIEF EXECUTIVE OFFICER

**186** € MILLION  
IN 2015 REVENUE

**9%** AVERAGE ANNUAL  
GROWTH OVER  
10 YEARS

**5 M** CLIENTS

# FLASH EUROPE INTERNATIONAL

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## INTERVIEW WITH PHILIPPE HIGELIN

### **Eurazeo PME invested in your company alongside you in June 2015. Why did you choose this new shareholder?**

What appealed to us was Eurazeo PME's ability to fully understand our business, our market and our challenges, to define who we are and what we wish to accomplish. This is especially important as we operate in a niche transport and logistics market. Eurazeo PME also reflects our group's key values, i.e. entrepreneurial spirit, proactivity, solution-oriented. Finally, Eurazeo PME's track record and reputation in the private equity market are indisputable and were instrumental in our choice.

### **How do you see your working relationship and what do you expect from Eurazeo PME?**

The role of a shareholder is to encourage, motivate and guide. We expect Eurazeo PME to be a "facilitator" to venture further and broaden our vision, and accompany us in creating our road map. Our initial objective is to pursue our international growth, particularly in China and the United States. We intend to rely on Eurazeo's resources, know-how and operational and financial abilities to progress in this direction. Digital technology is also at the heart of our ambitions. Eurazeo PME has shown itself to be the most advanced player in this sector, with a very precise understanding

of the new challenges. Likewise, we wish to become a leader in CSR, which, in our opinion, is a key issue for the future and a source of innovation. Even if we have adopted a CSR policy, we still lack a framework and structure that Eurazeo PME is best positioned to provide.

### **You have developed a digital platform. In what way is it innovative and ground-breaking?**

In the very conservative transport market, this full web electronic platform is unique as it is fully synchronized and optimized, meaning that all segment players – clients, suppliers, drivers, Flash Europe... – can log on and exchange data. This platform has helped our company surpass our competitors and become the European leader. In the future, we wish to transform this technological platform into a market place available to everyone, which will require us to radically change our own model. Rather than intermediation, our added value will be based more on data management (fast data), intelligence (algorithms) and the development of a premium freight ecosystem.



Philippe Higelin  
Executive Board Chairman

“We are delighted and eager to accompany Flash Europe International and its modern management team in its transformation, especially in terms of digital technology”

ERWANN LE LIGNÉ



Jean-François Collenot  
Operations Director,  
Auto-Indus BU



Gianni Maes  
Sales Director, Auto-Indus BU



Jan Schüller  
Chief Strategic Development  
Officer



Dimitri Borchtch  
CFO



Frederik Luz  
Emerging Business Director



Ignacio Tirado  
Chief Digital Officer



Florian Kemmerling  
Managing Director  
Easy4Pro



Serge Leonio  
Sales Co-Director,  
Biologistic BU



Diego Cerutti  
Quality Co-Director,  
Biologistic BU

**166** € MILLION  
IN 2015 REVENUE

**472** EMPLOYEES

PRESENT IN OVER  
**18 COUNTRIES**

**2015** AWARDED THE  
“LEAN&GREEN STAR”  
CERTIFICATION

# COLISÉE

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## INTERVIEW WITH CHRISTINE JEANDEL

### Can 2015 be considered a year of change in scale for Colisée?

Certainly, since there were numerous build-ups, with over twenty deals and an increase in revenue by nearly 50%. We have begun to deploy a network of quality establishments in northern Italy, via the acquisition of ISénior in Turin. In China, our partnership with China Merchant Group enabled us to start building a medical retirement home in Canton, scheduled for delivery at the end of 2016. The challenge: combine our geriatric expertise with Chinese lifestyles for a service offering tailored to the aging population.

### Why is the scale effect important?

We are strengthening our organization to manage the integration of numerous establishments and welcome under the best conditions the teams and clients who join us. This primarily involves the harmonization of information systems, deployment of Colisée reporting procedures and tools, team training and the reinforcement of the company's top management with the recruitment of new talents. Our size enables us to invest in all the necessary tools and share best practices, thus adding appeal to our employer brand. Our new financial capacity enables us to study new development projects with credibility.

### Your banks trust you, why?

Backed by our majority shareholder, we have won over the pool banks thanks to the clarity of our strategy and the quality of our results. In line with the Group's new profile, this boosted financial capacity — €310 million — provides us with the necessary means to pursue our value creation growth strategy.

### What are Colisée's next objectives?

In terms of growth, we continue to actively contribute to consolidating the sector in France, take advantage of the creation and acquisition opportunities in northern Italy and study developments in the sector of home care for the elderly. Under our digital plan, we are exploring new tools and have launched the first private retirement home social network — Mycolisee —, jointly developed with a French start-up. Finally, CSR is gaining momentum with the set-up in 2016 of our client and employee satisfaction surveys and a service to assist our employees' children with their homework.

“We are immensely proud to work with Colisée, the most dynamic player in the market, so as to actively contribute to the sector’s consolidation and develop new responses to demographic challenges, in France and abroad”

EMMANUEL LAILLIER



Christine Jeandel  
Chair



Arnaud Mejane  
Chief Operating Officer



Julien De Paz  
Chief Financial Officer



Brigitte Siad  
Legal Affairs Director



Estelle Prot  
HR Director

**264** € MILLION  
IN 2015 REVENUE

**73** ESTABLISHMENTS

**4 600** RESIDENTS

WOMEN MAKE UP  
**44%** OF THE  
SUPERVISORY  
BOARD

# VIGNAL LIGHTING GROUP



## INTERVIEW WITH JEAN-LOUIS COUTIN

**Eurazeo PME became your majority shareholder in 2014. Within one year, Vignal acquired AB Lights and opened new production sites in France and abroad. How did the Eurazeo PME teams assist you with these complex transactions?**

Eurazeo's strategy consists in identifying well-organized and profitable SMEs before transforming them into intermediate-sized businesses through internal and, more particularly, external growth. Organic growth, which is totally feasible, relies more on the direct activity of managers. However, it is less natural for a management team to generate external growth. We have to focus on markets, strategies, product lines and assets. Eurazeo PME has an impressive track record in this field and we are both perfectly matched to organize profitable external growth.

**Reflecting the Group's vigorous growth, Vignal erected a new building in Corbas (Rhône-Alpes) and opened new production lines in Caen and the United States. Why did you opt to build in France?**

Our clients are global and operate worldwide. It is of course feasible to design a factory that delivers to anywhere in the world. However, we believe that transporting parts

across the globe generates a loss in value: we would also contribute to increasing the greenhouse effect and consuming oil. We are very CSR-minded and believe that if a product is consumed on a continent, it should be manufactured by the people on this continent.

**CSR is at the heart of your business strategy. Can you explain why? How do you ensure that the environmental impact of your activities is kept to a minimum?**

Based on the aforementioned approach, we have defined our business strategy along two lines: an overall product design to minimize development costs and local production to better respect people and the planet, while, at the same time, offering optimal responsiveness to our clients! We therefore decided to build factories under the best global standards in North America, Europe and Asia.



“Acquisitions, new industrial sites, development of a robust CSR strategy: these initiatives neatly sum up our desire to accompany solid SMEs in their transformation into global intermediate-sized businesses”

PIERRE MEIGNEN



Jean-Louis Coutin  
Vignal Lighting Group Chairman



Michael Preuss  
Chief Financial Officer



Fabrice Jahan  
Sales Director



Emmanuel Magat  
Production manager

**83** € MILLION  
IN 2015 REVENUE

**345** EMPLOYEES

**N°1** IN EUROPE

NEARLY  
**90** % OF WASTE  
RECOVERED

# PÉTERS SURGICAL



## INTERVIEW WITH JEAN-MARC CHALOT

### **In 2015, you opened a subsidiary in Poland and completed an acquisition in India, Stericat. Why invest in these two countries?**

The practice of obtaining sales through distributors has today reached its limits. The group's growth must therefore rely on the development of our direct access to the market, which helps us to better understand and strengthen the loyalty of users.

As part of our deployment in Europe, Poland offers massive potential in terms of population and growth. Until 2010, Péters Surgical had wide coverage in the country via a local distributor which has since changed strategy. A turnaround which prompted us to set up directly in the country.

Conversely, we were hardly visible in India, which is nonetheless a market with very high potential and, for us, a major growth reservoir. In addition, we were seeking a new industrial site that could absorb our growth, particularly in sutures. Stericat proved to be the ideal opportunity. Our Indian subsidiary is now called Péters Surgical India.

### **For a foreign business, investing in India is still complex. Did you encounter any difficulties?**

Any foreign investment is always relatively complicated, you just have to know the right people. One of the best things about India is that everything is in English and many legal and regulatory processes have been inherited from the UK.

The country is also very open and in full economic boom. The only tricky points are the excessive red tape and the hiring and loyalty of personnel, which is not surprising in a country with such sharp growth.

### **How was Eurazeo PME's assistance decisive?**

Eurazeo PME accompanied us throughout the Indian acquisition process. Its assistance was particularly valuable in the due diligence phase and the transaction's completion. Eurazeo PME also helped us immensely in managing administrative and legal matters. Its support was all the more crucial as this was our first acquisition outside France.

### **What are your growth engines in forthcoming years?**

Our products under development, which should arrive on the market in the next three years. And our sales growth, which depends on the development of foreign subsidiaries to boost direct access to users. As was the case for Poland, we hope to create one sales subsidiary every year between now and 2018. At the same time, we are seeking acquisitions that could speed up our penetration into new markets such as India.

“The international projects finalized in the past two years are proof of our commitment to accelerate the group’s growth and demonstrate Eurazeo PME’s goal: to transform French SMEs into global intermediated-sized businesses”

ERWANN LE LIGNÉ



Jean-Marc Chalot  
Chairman and Chief Executive Officer



Thierry Col  
Sales Director



Laurence Safont  
Chief Financial Officer

**63** € MILLION  
IN 2015 REVENUE

**5** FOREIGN  
SUBSIDIARIES

**552** EMPLOYEES

**332** TONS OF CO<sub>2</sub>  
AVOIDED SINCE  
2014

# DESSANGE INTERNATIONAL



## INTERVIEW WITH **BENJAMIN DESSANGE**

### **What were your lines of development in 2015?**

Franchises primarily. The Group is world number one in high-end hair care — and present in 50 countries — due to the strengthening of its Dessange and Camille Albane brands in its domestic market and accelerated international growth, particularly with the signing of a Dessange master franchise agreement in China and a Camille Albane master franchise agreement in Saudi Arabia. In the United States, Fantastic Sams launched its new concept and logo “Fantastic Sams cut&color”, claiming an exclusive positioning in its market segment. With the continued takeover of regional salons still under the master franchise agreement, the Group now directly controls more than 65% of the network. Our growth rate in terms of products exceeds that of the market and our Phytodess hair care line has become the group’s 4<sup>th</sup> leading brand. Finally, with regard to licensing, the Dessange brand, now a reference in France, was launched in Canada following its successful introduction into the US market at the end of 2014.

### **What competitive edge did the acquisition of Coiff’ldis provide?**

I would particularly emphasize the strategic aspect. Coiff’ldis, whose values we share, is a market leader through its coverage in France and the brands it distributes to over 20,000 hairdressing salons. Its business is complementary and vital to our activities and brands. With Coiff’ldis, we have a 360 degree coverage in the hairdressing and beauty market.

### **What are the impacts of your CSR policy?**

It is more a question of a strategy than an impact. As from 2014, we clearly initiated a process and collective understanding involving CSR with the creation of a dedicated department and committee. In 2015, we analyzed our environmental footprint in order to assess the impact of our activities and roll out an ambitious action plan. After having promoted awareness among the internal teams, we turned our attention to our networks which will have as from April 2016 a simple and educational tool designed to calculate their footprint to better define the action plans and manage their environmental impact. Our CSR commitment sets us apart and keeps us a few steps ahead of other market players.

### **Eurazeo PME is celebrating its 10th anniversary, DESSANGE turned 60. What advice would you give its teams?**

I realize that our group has been a partner of Eurazeo PME virtually since its creation! It’s not easy to give advice to a team which everyday proves its worth in its market and has absolute trust in us, as demonstrated in the Coiff’ldis acquisition. Don’t change a thing and continue to respect and motivate your portfolio companies!

“Accompanying Dessange International in its new external growth projects such as Coiff’Idis in 2015 always creates exciting and sustainable value for our team”

PIERRE MEIGNEN



Benjamin Dessange  
Executive Board Chairman



Emmanuel Gasnot  
Chief Executive Officer



Philippe Vincent  
Deputy CEO

**65** € MILLION  
IN 2015 REVENUE

**2000** HAIRDRESSING  
SALONS

**402** EMPLOYEES

**-38%** LESS WATER  
CONSUMED SINCE  
2011

# LÉON DE BRUXELLES



## INTERVIEW WITH LAURENT GILLARD

### **Eurazeo PME has partnered Léon de Bruxelles since 2008. Why is it important to have a long-term shareholder?**

A shareholder relationship should be maintained with a win/win objective. For Léon de Bruxelles, having a partner that perfectly understands our market and business model, with a medium and long-term vision, is a major asset. We can therefore roll out basic initiatives on our brand repositioning and marketing strategy, whose impacts will only be visible in two to three years.

### **Between the launch of the “revival” offering and online ordering, did Léon de Bruxelles undergo a strategic shift?**

To satisfy new French market demands, we carried out numerous strategic adaptations, starting with the creation of our new brand signature “La recette des bons moments.” The digital transformation of our loyalty program was stepped up with more than 200,000 new e-mail addresses collected, a twofold increase in the number of “multi-channel” members, the electronic conversion of offers and couponing, as well as the complete overhaul of the program’s websites. The year 2015 also marked the launch of a take-out sales service – Léon Box – and a test of product offer changes that have been successfully adopted and deployed across

the network since 2016. And we must not forget that Léon de Bruxelles is the first brand to be elected “best restaurant chain of the year” by consumers.

### **Are you going to pursue restaurant openings and new Léon de B catering concepts?**

A Léon de B opening is scheduled for Paris by the summer, before being deployed in major French city centers. We are also refining the criteria for setting up stand-alone restaurants in suburbs and regions by creating franchise opportunities. Discussions are also ongoing regarding Léon in-store restaurants, with the idea of testing this concept in 2016. International expansion remains an additional line of development, with China being considered as a new market for exploration.

### **Eurazeo PME celebrated its 10th anniversary in 2015. What are the main advantages?**

It is a strategic partner, which operates in a relationship of balanced control and trust vis-a-vis its investments. In addition, the strategy designed to diversify its investments is relevant as it helps to absorb market impacts. Finally, international expansion should pave the way for companies to duplicate their model and create even more value.

“New restaurant concepts, new digital offerings, etc.  
As a partner to Léon de Bruxelles since 2008, we work jointly  
to promote innovation and make Léon de Bruxelles  
the number one theme-based restaurant chain”

PIERRE MEIGNEN



Laurent Gillard  
Chairman



Christine Eynaud  
Chief Financial Officer



Fabrice Gaudriot  
Marketing Director

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**114** € MILLION  
IN 2015 REVENUE

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**77** RESTAURANTS

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**1473** EMPLOYEES

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**86%** OF FOOD SUPPLIERS  
CSR CERTIFIED

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# FLEXITALLIC GROUP

## a global leader in industrial sealing

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**Global leader in the manufacture of sealing products and solutions for the energy production sector, as well as the petroleum, gas, chemical and petrochemical industries in emerging markets and developed countries.**

PORTFOLIO COMPANIES

### INTERNATIONAL DEVELOPMENT

Prior to the majority divestment to Bridgepoint in July 2013, Eurazeo PME provided financial and strategic support regarding six acquisitions in the United Kingdom and North America and the group's global organization alongside management.

The group developed its business in new markets, but also bolstered its innovation capacity by investing €12 million

over six years to modernize its manufacturing facilities and develop R&D. Eurazeo PME carried out four capital reinvestments over the period, thus increasing the company's balance sheet value based on growth. Since Eurazeo PME became its key shareholder in 2006, The Flexitallic Group has multiplied its revenue by 11, from €18 to €210 million in 2013, of which 90% at the international level. The number of employees has increased from 46 to 1,250.



# FONDIS BIORITECH

## becomes a manufacturer

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**Founded in 1982, Fondis-Bioritech is the French leader in the market for portable equipment designed for environmental and materials analysis, and property assessment .**

The company distributes and maintains scientific instruments and provides technical assistance. The relevant sectors include environmental analysis and inspection, property assessment, metals, industry, microscopy, research, laboratories, and materials.

In 2013, following the success of its new lead paint analyzer, Fondis went from being a distributor to a veritable distributed brand partner. Furthermore, the strategic and financial assistance provided by Eurazeo PME enabled Fondis to transform itself into a multi-product business and study a possible international expansion.

In 2015, as the group had operated in the building sector for over 15 years, the Fondis Bioritech teams were able to identify the needs of property assessors. FEnx, the leading lead paint analyzer manufactured in France, was the end result of this approach.

### **Fondis bioritech is “the Solution to your measurement needs”**

Our strategy is to propose complete solutions that optimize instrument usage: advice, training, software development, application development specific to our client businesses, financial leasing, maintenance and after-sales service contracts.

We are constantly seeking innovative, reliable and affordable instruments. One of our main strategic focal points is to remove instruments from the laboratory and entrust them to an on-site line manager (factory or outdoors): thus the client gains in responsiveness, measurement completeness and analysis cost.

Today, our group is also developing internationally (Benelux, Spain, Maghreb) and recruiting new talents.

# Glossary

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**AFIC:** various associations represent private equity investors. This is for regulatory reasons (the law requires that all management companies be affiliated with a professional association), but also to monitor the tax and legal issues of members, propose training, conduct studies and defend the interests of the profession before political representatives. The Association Française des Investisseurs pour la Croissance (AFIC) was created in 1984 and represents virtually all private equity investors in France. The equivalent for Europe is the European private equity and venture Capital association (EVCA).

**Due Diligences:** when a company seeks investors, its management team prepares a business plan. The purpose of the due diligence conducted by potential acquirers is to validate or adjust this business plan to obtain, in a world of uncertainty, the clearest picture of the company's future. Among other areas, due diligence procedures cover market issues, positioning and relevance of the company's strategy, industrial, human and managerial organization, CSR challenges, tangible and intangible assets, as well as the risks and challenges pertaining to legal, tax, and environmental matters, the question of insurance, etc.

**Vendor Due Diligences (VDD):** due diligence prepared by the vendors of a company and their advisors, prior to a sale process, so that the vendors, the company's managers and the potential acquirers obtain complete and reliable information in order to save considerable time in the company's analysis.

**Governance:** system of rules by which a company is directed and controlled. It breaks down the rights and obligations of the various stakeholders within the company, such as the shareholders or managers. With respect to private equity investment, governance is completed by bylaws and a shareholder agreement, thus establishing a genuine professional dialogue between shareholders and managers.

**IRR (internal rate of return):** reference standard for measuring private equity investor performance. Measures the annualized rate of return on invested capital.

**Investment multiple:** also measures the performance of invested capital invested but unlike the IRR, it does not include the time factor and therefore is highly complementary to the latter in assessing the quality of the performance achieved by private equity investors.

**EBITDA:** earnings before interest, taxes, depreciation and amortization (including goodwill amortization), also known as gross operating income.

## Credits and acknowledgements

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Consultants on integrated reporting: Nick Landrot – Consultland  
Editing: Consultland & Encasdemots  
[www.encasdemots.com](http://www.encasdemots.com)

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Design and creation: Design Media  
[www.designmedia.fr](http://www.designmedia.fr)

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Photo credits: Peter Allan and Stéphane de Bourgies  
[www.peterallan.fr](http://www.peterallan.fr)

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Any comment on this integrated report can be sent to the following  
e-mail address: [eurazeopme@eurazeo-pme.com](mailto:eurazeopme@eurazeo-pme.com)

Eurazeo PME  
1 rue Georges Berger 75017 Paris  
[www.eurazeo-pme.com](http://www.eurazeo-pme.com)

