



EDITORIAL

HELPING BUSINESS TRANSFORM

Since 2016, Activa Capital has been very active. French SMEs, entrepreneurs and investors are all looking for significant growth, in line with that registered in many other European countries. To achieve this, and to build a strong presence overseas, French SMEs can rely on key structural strengths, as well as France's greater attractiveness, both from a political and economic standpoint.

At the heart of Activa Capital's partnership with French companies is our entrepreneurial spirit, our international expertise and our focus on ESG principles: three key elements in building the basis for sustainable growth and creating the right conditions for the transformation of these companies.

Transformation implies reaching critical mass, often by implementing a build-up strategy which allows companies to establish a presence in new markets and become industry leaders, both in their home markets and abroad.

Transformation implies being at the forefront of the digital revolution.

Transformation lastly implies setting the base of a responsible business model, at the heart of sustainable growth.

The Activa Capital team



NEWSFLASH



ALLIANCE ÉTIQUETTES



Alliance Etiquettes acquires Groupe Etienne, specialising in wine labels. As a result of this sixth build-up, Alliance Etiquettes strengthens its position in the French regions of Anjou, Touraine and the South-East France and becomes the leader in the French premium wine label market.



Anthony Pralle joins Activa Capital's Industrial Committee.

Anthony recently retired from the Boston Consulting Group after thirty-six years with the firm, most recently as Head of the firm's Marketing, Sales and Pricing practice in Europe. He brings his broad expertise of the FMCG and retail sector and his experience helping companies define their international growth strategies.

VIEWPOINTS



HR PATH: INTERNATIONALISATION, DIGITALISATION AND ACQUISITIONS ARE DRIVING GROWTH

- **Provider of human capital management solutions and services, HR Path specialises in four areas; namely HR business consulting, payroll outsourcing, HR IS implementation and talent management, and HR software.**
- **Turnover: €70m**



François Boulet
Founding Partner,
HR Path



Cyril Courtin
Founding Partner,
HR Path



Alexandre Masson
Partner,
Activa Capital

One of the leading HR IS companies in France today, HR Path was founded in 2001 by François Boulet and Cyril Courtin and has had continuous strong growth ever since. With the support of Activa Capital, which became a shareholder in March 2017, the company intends to enter a new development phase, with a particular focus on international expansion.

What are the key factors behind the strong growth of HR Path since its inception?

François Boulet: In my view, the key factors behind HR Path's success are twofold: our ability to offer our clients the full scope of HR IS, and the very high level of service we provide. This is largely thanks to our team of consultants, who are all experts in their respective fields and are very involved in the company.

Alexandre Masson: We were rapidly convinced by the quality of the management and by the founding partners, who have demonstrated a clear strategic vision as well as a constant ability to pursue growth, create strong team spirit around common goals, and bring in new talent.

What are HR Path's key strategic objectives in driving growth?

F.B.: In France, organic growth is our key objective. In order to achieve this, recruitment and training, which is paramount in a service industry like ours, is one of our priorities. We are also implementing an ambitious marketing strategy, which will allow us to further strengthen the HR Path brand and to support the digitalisation of our business. Internationally, we

plan to grow through acquisitions so as to reach critical mass and make international markets another area for growth. Digitalisation will be a key driver for growth in all our markets. In that respect, our recent partnership with Workday – one of the main providers of SAAS native solutions – provides clear evidence of the trusting relationships we have managed to build with the main industry players, and represents a key strategic milestone for the company.

Nine months after Activa Capital became a shareholder of HR Path, how could the partnership between HR Path and Activa Capital be best described and what are the key actions that have been taken?

F.B.: We were looking for a partner with whom to build a relationship based on trust. We were rapidly drawn to Activa Capital's entrepreneurial spirit, which echoed our own. From a strategic standpoint, we can rely on our partner's build-up expertise and extensive network to help us drive the growth of the business, and our frequent conversations allow us to take a step back when needed. From a commercial standpoint, having Activa Capital as a shareholder is a key asset to building trust with our clients and will allow us to further strengthen our relationships with our key accounts. Lastly, from an operations standpoint, Activa Capital's team is instrumental in helping us improve our processes.

A.M.: As entrepreneurs, we speak the same language and share the same vision. Our common goal is for HR Path to become the leading independent HR solution provider, both in France and abroad.





FOCUS ON



Federico Musi
CEO of LOOK Cycle

LOOK CYCLE SWITCHES TO A HIGHER GEAR

- **Leading player in the design and manufacturing of high end bikes and cycling accessories**
- **Turnover: €43m**

Partner of the Olympics and the Tour de France, and sponsor of rising star Warren Barguil, the iconic brand LOOK Cycle is known around the world for its premium bikes and cycling accessories. Since the acquisition of LOOK Cycle by Activa Capital and the simultaneous appointment of Federico Musi as CEO in 2016, the company's strategy has been based on three key pillars: a reinforced distribution network, a broader product range and the strengthening of its manufacturing capacity.

"Our distribution network is evolving and is now geared towards becoming fully cross-channel", explains Federico Musi. The sales and marketing team has thus been strengthened, and the online offering expanded: 'click & collect' is now available for some products and a bike configurator is available to facilitate online purchases.

The second pillar of the strategy relies on a broader product range, both vertically and horizontally. *"LOOK's offering now*

includes new products such as e-bikes and gravel bikes, two market segments which have undergone strong growth. Our product range of pedals and wheels has increased too. Lastly, we intend to capitalise on our strong expertise and reputation in the high-end market segment to expand in the fast-growing mid-market segment", Mr. Musi adds.

LOOK Cycle's third strategic pillar aims to strengthen the company's industrial assets, through a more efficient supply chain and streamlined assembly and finishing processes, thus allowing for greater responsiveness and faster delivery times to the end customer. Coupled with the company's long-standing policy of locating its manufacturing sites close to the end customer, this strategy is already bearing fruits.

Underpinning the whole strategy are the creation of a brand platform to capitalise on the LOOK brand, and a renewed focus on the customer journey to improve the customer's experience at each step of his/her interaction with the brand.

Activa Capital's experience in working with small and medium size companies, together with the firm's expertise in leading transformation projects, have been instrumental in the speed and scale with which LOOK Cycle has delivered results: *"LOOK benefited from a unique brand and had to adapt to a globalised environment. We can count on Activa Capital to help us implement the necessary changes and create the conditions for sustainable growth",* explains Mr. Musi. Going forward, the company may look at strategic acquisitions to fuel growth should opportunities arise.





ALLIANCE ÉTIQUETTES

ALLIANCE ÉTIQUETTES WRITES A NEW CHAPTER OF ITS GROWTH STORY IN TIN LETTERS



Olivier Laulan
President of Alliance Étiquettes

- Buy-and-build platform – Premium labels for the wine and food industry
- Turnover: **€50m**

Alliance Étiquettes’ fifth acquisition

Applic’Etains, based in the Dordogne region, specialises in the creation and production of tin labels for the wines and spirits industry. The company, which has had strong growth and is the worldwide leader in its industry, benefits from a unique know-how and enjoys a portfolio of prestigious clients with whom it has built long-standing relationships.

An acquisition in line with Alliance Étiquette’s growth strategy

- The acquisition of Applic’Etains allows the group to strengthen its position in both the fast-growing luxury label market and internationally, thus generating new growth opportunities.
- This acquisition is also in line with the group’s strategy of expanding its product and service offering and by doing so, adding value for its clients.
- Lastly, Applic’Etains brings to the table unrivalled marketing expertise, a key differentiating factor in the industry.

A growth story backed by a strong management

Following the acquisition, Thierry Vandenbosch, Applic’Etains’ founding owner, joined Alliance Étiquette’s management team, headed by Olivier Laulan, as did the owners of the companies acquired in 2015 and 2016. This is clear evidence of the group’s strong reputation among industry leaders and of their desire to play a part in the growth of the industry’s key player.

Flash News – On February 16th, 2018, Alliance Étiquettes and Activa Capital announced their sixth build-up to date with the acquisition of Groupe Etienne, a French wine label specialist.

 BUILD-UPS



CRITICAL MASS, OPERATIONAL EXCELLENCE, INDUSTRIAL SYNERGY: SUCCESSFUL TAKE-OFF FOR MECADAQ

- Buy-and-build platform – Manufacturing and assembly of aerospace components
- Turnover: €49m

Mecadaq’s strategy is centred on two key pillars: business diversification in order to better meet key clients’ needs, and a greater penetration of new markets.

Two new acquisitions to support the Group’s strategy

In August 2016, the acquisition of Marignier, a manufacturer of precision mode gears, allowed Mecadaq to **expand its know-how and to acquire new clients**, thanks to a wider offering.

The acquisition of Armoa, a manufacturer of precision machining, in September 2017, enabled Mecadaq to acquire **two new key clients**, Thalès and Daher, and to strengthen its relationship with existing client Stelia, a subsidiary of the Airbus group. **Armoa’s operational excellence** (the company’s On Time Delivery scores – the industry benchmark – are close to 100%, much higher than the sector average) will fuel the group’s growth.

Coming next: organic growth in France, international acquisitions

In the French market, the group is now in a position to reinforce its status as the partner of choice for the industry’s key accounts. Now on track to become one of the industry’s main players, **it will focus on building synergies and strengthening its sales operations. Internationally, the group will be looking at growing through acquisitions**, especially in strategic markets such as North America and Asia.

ARMATIS: INTERNATIONALISATION, DIGITALISATION, EXPANSION

- One of France’s leading players in the call centre industry
- Turnover : €225m



■ **International sales** now represent 20% of total turnover, with the company having a **presence in France, Tunisia, Portugal and Poland**. In these growing markets, the company is expanding both organically and by way of strategic acquisitions.

■ **Increasing client relationship digitalisation** is a major factor of growth for the company. With strong expertise in customer relationship management, ArmatIS was able to build excellent relationships with key accounts such as Orange, and played an important role in the launch of Orange Bank. **The acquisitions of INIT and YBOO Consulting in October 2017** are part of this strong focus on digitalisation.

 REFINANCING

STRONG GROWTH AND REFINANCING FOR ATLAS FOR MEN



- Home shopping
- Turnover : €160m

Atlas for Men, which was acquired by Activa Capital in **August 2016**, refinanced its debt in **July 2017**, with all lending banks choosing to increase their commitments.

The refinancing – which took place less than a year after the acquisition and in a very short timeframe – was made possible by the success and speed of Atlas for Men’s spin-off from its previous owners, and by the strong growth registered as a result of:

- **greater internationalisation**, by way of both a greater penetration of existing markets and entry into new markets, capitalising on the group’s strengths and expertise;
- **continued focus on digital** – online sales represent c. 40% of total turnover;
- **organic growth resulting from strong sales operations.**


 DISPOSALS

A NEW START FOR NEXEYA AND FINDIS

Having acquired Findis and Nexeya in 2011 and 2013 respectively, Activa Capital sold its stakes in the two companies in 2017.



- Findis’ sales increased from €175 million to €300 million between 2010 and 2016. The company has become the **leading player** in French B2B household goods distribution, **making four acquisitions during this period and playing a key role in the consolidation of the industry.** The growth strategy implemented under Activa Capital’s holding will now continue under new ownership.



- Under Activa Capital’s ownership, **Nexeya, a manufacturer of critical components for the aircraft industry, achieved a stronger international presence thanks to several acquisitions.** This acquisitive strategy is expected to continue driving future growth under the company’s new ownership.



SUSTAINABLE GROWTH ACTIVATORS: ESG COMMITMENT



“Food for Thought” second gathering involving Activa Capital and Sous les Fraises (urban organic vegetable gardens)

Among the first investment firms to be involved in Environmental Social Governance (ESG), Activa Capital continues to implement its ESG strategy in a committed and proactive way, true to its principles and strongly convinced that ESG is a key component of value creation.

Investor relations: communicating proactively

In addition to information specifically required by investors, Activa Capital’s reporting includes specific ESG indicators as

well as a presentation, for all investments, of ESG measures being implemented.

ESG as innovation and transformation tool for the Investment Manager

Training of the investment team, mutual feedback on ESG matters with other members of the French Private Equity Association (France Invest) and dissemination of ESG best practice are key elements in building Activa Capital’s ESG strategy and ensuring ESG is central to the firm’s operations.

Corporate engagement demonstrated by its involvement with several charities and organisations

Activa Capital already partners with Agence du Don en Nature, which provides innovative solutions to prevent waste and social exclusion. Starting in 2018, Activa Capital will also partner with Beeopic and the Apprentis d’Auteuil, a charity helping children and young people from underprivileged backgrounds get quality schooling and professional training.

ESG as part of the firm’s investment strategy

From ESG due diligence during the pre-investment phase, through to active involvement in the portfolio companies’ CSR strategy and implementation of ESG indicators during the holding period, ESG is included at all stages of the investment process and represents an innovative tool to assess risk and opportunities.



ASSISTING PORTFOLIO COMPANIES IN BUILDING THEIR CSR STRATEGY

Private equity plays a key role in helping small and medium size companies to grow. As private equity investors, Activa Capital is convinced that ESG and CSR are at the heart of any sustainable growth strategy and paramount to the success of a transformation project.

CSR strategy: Activa Capital actively involved

Activa Capital helps portfolio companies define and implement their CSR strategy, through a constant focus on innovation as well as actions and events aimed at facilitating a fruitful collaboration between investment professionals and entrepreneurs. An example of this is the MySezame training day, organised in September 2017 and focusing on social innovation and ESG.

Risk and opportunities management at the heart of CSR for a responsible and sustainable growth

Prime examples are the Imprim’Vert label promoting responsible printing at all of Alliance Etiquette’s industrial sites and a key differentiating factor in the printing industry, and the recruitment of a CSR and Quality manager at Atlas For Men.

Human capital management: another key aspect of CSR strategy

All portfolio companies focus on this. At Activa Capital it has taken the form of a working group involving HR managers and experts as well as start-ups, who met in November 2017 in order to share best practice – such as a stronger health and safety focus at Mecadaq and the improvement of work stations at LOOK Cycle – and promote innovation in HR.



MySezame brainstorming between investment professionals and entrepreneurs



THE ACTIVA CAPITAL PARTNERS



PIERRE CHABAUD



CHARLES DIEHL



MICHAEL DIEHL



PHILIPPE LATORRE



ALEXANDRE MASSON



BENJAMIN MOREAU



CHRISTOPHE PARIER



OTHER TEAM MEMBERS



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• Manager



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