

# Managers' view

EDITORIAL

## 10 YEARS!

Ten years have passed since Capital & Dirigeants Partenaires(\*) was created. With more than 40 operations to our record, our results confirm our conviction: by accompanying small and medium-sized businesses (SMEs) as they go through decisive development phases it is possible to create solid and long-lasting economic value.

In 2016 Capital & Dirigeants Partenaires will itself complete a significant stage in its history, increasing its capital to €30 million. With greater capacity for action and an expanded team, a second investment cycle is opening up for us, focusing firmly on companies that are ready to seize the opportunities of an economy in a major transformation phase.

What makes a promising company? Emphasizing the short term, or taking a long view? Ignoring the urgent need to protect the environment, or taking a proactive stance? Continuing on the same trajectory as in the past, or staking out new models?

In the following pages leaders and executives speak out and state their choices: their views nourish and structure the ambitious goals they have set for their companies.

More than ever, it is our vocation to stand by these actors.

Bruno Annequin  
Directeur Associé

Hubert Méraud  
Directeur Associé

Capital & Dirigeants Partenaires brings equity funding to SMEs to support their plans for growth, both «internal» and «external», and accompany share capital buyouts and transmission transactions. These operations involve investments ranging from €300,000 to €3 million, and aim specifically to benefit promising small companies that create jobs and growth.

(\*) Manager and Equity Partners



# After a Successful GOM for a French Leader, a Move to the European Dimension

## Mercura – JEAN ECHANIZ

A French leader in onboard signaling on security vehicles, with an annual turnover of €15 million, Mercura is encountering significant growth in France and abroad. The company already makes part of its profit in exports, mainly in Europe. Its innovative products, tested and approved by premier European automotive laboratories and manufacturers, incorporate the latest bright technologies into its LED, audio and multiplexing products.

Mercura equips all of France's internal security, police, gendarmerie, highway patrol, and public works vehicles, as well as its ambulances and fire trucks. The company is also the provider for several major European clients. In addition, it provides its public and private clients with speed control tools like monitoring stations, laser radar detectors, and ignition interlock devices.

In 2014, following a recovery led by Capital & Dirigeants Partenaires in collaboration with company leader Jean Echaniz, shareholders, executives, and associate managers sold the company to Binar Group ([www.binar.se](http://www.binar.se)), a Sweden-based industry leader belonging to the family-owned Pomona Gruppen. Binar is positioned around the same range of products as Mercura and manages a turnover of €105 million with 300 employees.

Thus, Binar was able to establish a base in France and develop toward southern Europe, while lending support to Mercura's prospects for pan-European industrial development.



# A launching pad to new ambitions

## Les Numériques – VINCENT ALZIEU

Les Numériques is the first website in France to provide digital media news and product testing. Its audience is growing by 35% per year, and it currently receives more than 3.5 million visitors per month, yielding a monthly turnover of 4 million euros. Consumers can read reviews, compare product test results, and make direct purchases on the site from well-known online vendors.

Four years ago, Capital & Dirigeants Partenaire established equity through a capital increase and convertible bonds, which allowed it financial autonomy within its website's marketing space by creating a board, opening its own sound studio, and recruiting to keep pace with its rapid development. Concurrently with this investment, the group restructured into three companies, which allowed key project managers to connect and plan ahead.

### How has Les Numériques evolved since Capital & Dirigeants Partenaire came on as a shareholder?

Les Numériques has quadrupled its annual turnover in four years and our team has grown from 12 to 35. We have strengthened and expanded our position as the leader in hardware and software product testing and news in France. We have also become relatively profitable and autonomous.

During this period, Les Numériques has:

- Created its own advertising board (M4 Media)
- Further improved the website's technical and design qualities
- Invested in an advanced sound testing laboratory
- Grew the readership of its English website
- Added new products to its editorial section, such as electrical appliances, scooters, and electric bicycles
- Launched a premium version of the website

### What was your reason for selling in 2014? To whom did you sell the business?

The business was sold to the FLCP Group (Fabrice Larue Capital Partners), which is growing in two directions: NEWEN, which concerns entertainment ([www.newencontent.com](http://www.newencontent.com)) and NEWEB, which concerns new media.

Florent, Mathias and I remain the operational directors and founding partners of Les Numériques, and we actively participate in NEWEB's growth and acquisition policy, the first acquisition being Les Numériques.

The founders were able to recoup part of their investment at the time of this transaction, but reinvested half of it with the FLCP for development drivers and other acquisitions.

### What are your plans right now?

To continue to grow Les Numériques in terms of both audience and profitability.

We are at the beginning of an ambitious project that we will be unveiling soon.

As for our acquiring partner, after Les Numériques FLCP just became a majority shareholder of CUP Interactive, which publishes Gamekult, Cnet.fr and Zdnet.fr, and we are looking at other opportunities together.

### What is the status of your relationship with Capital & Dirigeants Partenaire?

Capital & Dirigeants Partenaire helped us to intelligently structure our initial setup and that of our advertising board. They have been at our side for the life of the company in the capacity of committees where we have had many exchanges. We looked at several external acquisition opportunities, but in the end preferred organic growth. Over the course of our relationship, they were there when it was useful to invest. Finally, they helped us pinpoint the right advice and stayed close to us throughout the process of selling the company and our final discussions with FLCP.

# Crossing the Threshold

## CleanSoft – JEAN MAZET ET FRÉDÉRIC CHIAPPARA

Clean Soft is a service provider specialising in the maintenance and renovation of technical facilities and data centres. Headquartered in Aubagne, near Marseille, the company first expanded throughout the PACA region (Provence-Alpes-Côte d'Azur) in the southeast of France. Four years ago, to establish proximity to the country's largest market opportunities, the company's leadership moved to Neuilly-Plaisance in Ile-de-France, close to their largest customer at the time, RATP. This year Cleansoft will employ a team of 14, and expects its sales revenue to exceed €2 million, an increase of over 50%.

### You operate within a highly specialised industry. Can you describe your work?

Our specialty is the replacement of raised flooring using a hydraulic cylinder lifting system to avoid interrupting machine use. It's a delicate and sensitive operation that requires specialised expertise. When replacing the raised floor of an RATP control room that handles the Navigo subscriptions for Ile-de-France, for example, we have no room for error.

Second, we decontaminate, clean and maintain highly specialised data centres and equipment. Specifically, we offer clean-up, which is a fine dusting that prevents computers, server racks and raised data centre floors from becoming contaminated over time.

Third and last, we perform the auditing and regulation of air in data centres and control rooms, including the regulation of air quality (e.g. dust control) and of temperature, as well as testing for hotspots and humidity. This area of our work stems from the experience of one of Clean Soft's founders who has worked in the clean room sector, where clean-up and ultra-cleanliness was required to make electronic equipment work.

We work in technical facilities where the equipment is in constant rotation: data centres, technical facilities designed for large groups, production cleanrooms, and airport control towers with extremely high constraints and requirements.

### What project did you undertake with Capital & Dirigeants Partenaires?

We were approached by groups from the corporate services sector who sensed the potential development of a niche market, but we were

convinced that the level of growth would be higher. As a first step, we approached Capital & Dirigeants Partenaires who, through equity strengthening, allowed us to speed up our development.

Concretely, the project materialised last year with the acquisition of Solution, a competitor company specialising in lifting computer racks and changing false floors. Solution was a subsidiary of Apis Engineering, a consulting firm specialising in data centre design led by an alum of IBM. Apis had acquired Solution in 2009 and was looking to sell it. Clean Soft seized the opportunity to diversify its customer base and/or recover two technicians.

Apis sold the business to Clean Soft, and Capital & Dirigeants Partenaires assisted us throughout the diagnostic phase, negotiation, and financial structuring. The acquisition of the clientele came rather quickly. In effect, Solutions operates at numerous work sites, and the acquisition of these took place in stages. It is now in full effect and providing Clean Soft with a constant level of growth.

Moreover, we have maintained a close relationship with Apis and become a complementary partner and business provider.

### What's next?

Our goal is to achieve €3-4 million turnover over the next few years. When the market for legacy data centre management is well-developed and we have reached that size, our company will have attained a strategic value with its deep and specialised knowledge in a high-growth niche market.

We are also receiving some timely solicitations from abroad, notably through Apis, which has opened a data centre in Morocco. In this case, Clean Soft was hired to install a raised floor.

Finally, since moving equipment that is in use is a renovation job, just like any other building contractor we, too, must improve our management of the potential hazards on large work sites using small, flexible interventions. Clean Soft carries out most of its operations on its own, but occasionally uses interim or subcontractors, with the exception of specialised activities like lifting active, highly sensitive or specialised equipment. Accordingly, we are going to strengthen our workforce. This is an organisational change and means implementing a middle management.





OBO - GROWTH CAPITAL

# Birth and deployment of a Saint-Tropez luxury brand

**Noreve – MICHAËL MASSAT**

**Describe the project you implemented with Capital & Dirigeants Partenaires.**

We conducted a joint project: I gave up part of my capital, which allowed me to diversify my assets at the same time as CDP was injecting funds into the company to finance our development projects and move us into our new headquarters at the entrance of St. Tropez.

Capital & Dirigeants Partenaires went above and beyond simply playing the role of an investor. They acted as a partner supporting me in strategic thinking as I undertook the launch of my business.

On our committee, we discuss key strategic issues and address issues related to the company's technical, marketing, and human structuring.

**Why did you need to raise funds? What is your background?**

The company opened ten years ago in a wing of my house, with two employees. From the outset, as a native of Saint-Tropez and a young entrepreneur (I was 25 at the time), I had my heart set on remaining local and honoring my town's fine values and warm colors. The line of leather accessories for mobile devices we have developed with my designers meets my expectations and those of our clients. It has allowed me to reflect the present era while relying on the tradition conveyed by the leather work.

As the market matured, the smartphone became a commoditized product. That's why we wanted to offer a quality selection for connoisseurs of fine leather goods. These are difficult to achieve because they are subjected to strong constraints due to their mode of use (movement, friction, heat,



sweat). Because of this, the designer and production partner play key roles.

There was a golden age in the market for smartphone cases when these products first launched. Our company benefited from this interest until encountering some setbacks in 2011 with our outsourced production unit in Asia. Gradually we lost our ability to meet demand, which caused problems with some of our major customers, including Fnac.

We had to switch suppliers. We met Capital & Dirigeants Partenaires when we were ready to rise up from our troubles and forge ahead.

#### **What are your objectives in this relationship?**

Today we have a turnover of € 2 million with less than ten employees and more than one million cases and covers sold since the creation of the brand. We decided to take it to the next level and invest in:

- A brand platform study that allowed us to make the best image choices.
- Diversification of our product range in several directions:
- A very high quality "Made in France" product line – including the high-end "Tropezian temptation" line made with quality leathers and

branded with the logo of the Saint-Tropez steeple.

- A line of new leathers (aged, weathered, etc.)
- A new line of ready-to-wear polo shirts, bracelets and small accessories
- The geographic expansion of our on-ground distribution network through physical stores and resellers. Saint-Tropez is very strong internationally; 70% of our sales are conducted abroad via our website, which is offered in nine languages. We seek a better physical representation in flagship retail outlets.
- The modernization of our web platform's back office, e-commerce, where we achieve more than half of our sales.

# Cutting-Edge Expertise is Booming

Zenika – CARL AZOURY ET LAURENT DELVAUX



PARTIAL BUYOUT

**You run a digital services company, formerly an IT company, positioned on cutting-edge technologies and expertise. Can you describe your business?**

Zenika is a company specialised in new digital and Agile technologies. We offers service and training on both an inter- and intra-company basis in open source, Java/J2E, BigData/NoSQL, and mobile technology, as well as the implementation of Agile methods. These innovative organisational methods bring a better return on investment (ROI) and reduce time-to-market (TTM) to the deployment of IT engineering services.

Today, we have 130 employees ranging from Java technical experts to Agile coaches. Given the demands of our sector, we emphasise both service performance for our business clients and human performance for the company itself and its own teams. To that end, Zenika was recognised in the Great Place to Work® competition in 2014, arriving in 7th place across France among companies with fewer than 500 employees in its first time participating. We have created the company where we would have liked to work when we ourselves were consultants. That's how we attract the best in the sector, which is key to our service offering and for our customers.

**Since its creation in 2006, Zenika has experienced strong growth...**

Yes, we are growing by more than 25 percent each year, and this year our turnover reached €14 million, which represents a doubling in two years.

Since the beginning, Zenika has had 100 percent organic growth. Training represents 25 percent of our turnover, the remaining 75 percent corresponds to implementation/advice. Zenika is based in Paris, and we also have offices in Lyon, Rennes, Nantes and Lille.

We have succeeded in winning the trust of prestigious names like BNP Paribas, Orange, Amadeus, and Voyages SNCF, and we also provide support to many SMEs and start-ups in the migration and development of their tools and products.

**Why did you choose the partnership with Capital & Leaders Partners in 2013?**

We founded Zenika with five consultants. In 2013, we wanted to add an investor partner to allow the exit of two shareholders (a third had left before), and to support the company's strategic thinking and development.

In this way, we plan to continue expanding our internal and external growth by opening other branches, but being sure to always surround ourselves with the best experts and to offer them a premier work environment.

From the outset, we have shared a twofold vision with CDP of rigorous company management enabling such growth, and of respect for the founding values of Zenika.



# Wamiz is Having Babies

Wamiz – ADRIEN DUCOUSSET ET ADRIEN MAGDELAIN



It has been five years since the two of you created Wamiz. Where do you stand today?

In five years, Wamiz has become the number one French website on pets and receives over two million unique visits each month.

This success is based on three pillars:

- The depth of content and its aim to respond to the questions and issues of dog and cat owners: practical guides (health, education, food, etc.), veterinary advice, and video tutorials.
- The site's web community that allows members to express themselves and help one another via forums, social networks, and questions and answers.
- The site's new media entertainment aspect, which allows for learning while having fun (quizzes, games, contests, photos, and so on).

Can you explain your "Facebook of Animals?" (<http://wamiz.com/reseau/animaux/>)

This is a social network where our members can register their animals, add their photos, and have them communicate with each other! We noticed that more and more dogs and cats "have" their own Facebook account. Now they can have a social network that is truly made for them. Today our "Facebook of Animals" has more than 100,000 active members.

What opportunities do you hope to gain through your relationship with Capital & Dirigeants Partenaires?

After five years of steady growth, we want to the support of an investor to:

- Develop other services around our theme, a goal we are pursuing with the creation of Consoanim.com, a web-based platform for product testing and advice about animals; and Allovet.com, a service connecting people to veterinarians. We are also positioning ourselves in the relationship between breeders and owners, and we participate in the Miaoubox and Woufbox animal gift box offers, as well as Dogvacances.fr daycare. Other projects are underway.
- Continually expand the editorial team and recruit developers and web designers to work on a new version of our web tools and improve our SEO.
- Open Wamiz abroad, adapting it to local use and providing content translated into the local language.

Capital & Dirigeants Partenaires believes in our team and projects. With them at our side, we now have the means to set sail on our goals, and we feel supported in our strategic decisions.

# Team Spirit for Reaching the Summit

## Snow Performances – FRANCIS CHARBONNEL

After competing in speed skiing competitions in the late 90s, Francis Charbonnel became the Development Manager of the cooperative stores Sport 2000 in the mountains. In 2012, armed with his expertise and an extensive professional network gained through various mountain sports activities, he embarked on his own business venture, Snow Performances.

### How did you decide to position Snow Performances when you created it?

France has about 1,250 winter sports stores, two thirds of which are in the Alps. This figure encompasses several chains: Skimium, belonging to Décathlon, Ski Set founded by former Olympic medalist Annie Famose, Intersport, Sport 2000, Twiner, Ski Republic, and some independent shops. Each chain has about 200 stores.

Snow Performances is a group of stores providing the rental and sale of ski equipment and clothing at winter sport venues. Our aim is to gradually acquire fifteen stores, primarily in the Northern Alps.

Targeted stores have an annual turnover of €300-600 thousand, approximately half of which comes from ski rental, a regular and profitable generator of cash flow.

Banks like to finance the acquisition of stores, so it's easy to use our leverage to expand the group, which is a valuable asset in these times.

We prioritise altitude in our selection of store location, which means we don't run into snow coverage issues. Our Argentière store, for example, serves the legendary Grands Montets trail that starts at 3000 metres.

### Why would a business like yours link up with Capital & Dirigeants Partenaires?

I was co-owner of a store in Argentière near Chamonix, and we had very satisfactory returns. In 2012, with those profits, the investment of Capital & Dirigeants Partenaires, we created with some other associates the holding Snow Performances. Today we have acquired or will soon

have acquired a total of eight stores, two at the Argentière resort, two at Tignes and four at Les Arcs. Although Snow Performances' headquarters is located near where I live, in Clermont Ferrand, I am constantly in the valleys of the Alps on the lookout for opportunities, maintaining close relationships with all of my contacts.

I needed a partner like Capital & Dirigeants Partenaires at my side to help me define the key criteria for store acquisition, for selecting them and then adapting my development and management strategy. We hold six committee meetings per year, particularly during the winter season. We have excellent relationships.

### What are your plans for future development?

We are entering into a close partnership with Skimium, the mountain sports subsidiary of Décathlon, and the best site for reserving rental skis online. Skimium is entrusting us with exclusive rights to its business at the Arcs and Tignes resorts, two major high-altitude bases in the upper Tarentaise valley.

Our objective is to concentrate our acquisitions geographically, to create synergy between the group's stores. Pooling resources makes ski waxing and preparation workshops more productive, as well as optimizing management of rental equipment. The group entity will boost our purchasing power and thus increase profitability.

### What is your online strategy?

Increasingly, skiers reserve their skis online, and our products are made available for rent on the websites of stores we subscribe to. In parallel, we have opened our own site under the name Snow Performances. Rental prices tend to fall online, and as a result our business is less profitable than it might have been in another era. As a result, we have to imagine creative solutions like improving our offering, developing our textile product sales, and adding services like security, in-store ski classes, deliveries, and so on.





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