



MAJOR ACQUISITION FOR PENNEL & FLIPO

ACQUISITION OF ITALIAN COMPANY FAIT PLAST

CREATING A EUROPEAN PLAYER IN TECHNICAL TEXTILES AND TECHNICAL THERMOPLASTIC FILMS

Paris, 27 June, 2017 – IDI, a listed private equity specialist, announces a strategic and structuring external growth operation initiated by PENNEL & FLIPO to acquire Italian family-owned company FAIT PLAST, European leading manufacturer of technical thermoplastic films, distributed for a large range of uses, including fashion, sportswear, underwear, medical and technical packaging. This acquisition occurs in the context of IDI's strategy to build European champions, able to address niche markets worldwide. That is how IDI has initiated several operations, in particular at Winnicare and Financière Miro (Albingia's holding company), over the last 18 months.

Founded in 1924 and established in Mouscron (Belgium), PENNEL & FLIPO SA (www.orca.eu) designs, manufactures and markets films worldwide under its ORCA® brand, providing technical solutions to boating, railway, aerospace and defence industries.

In september 2015, IDI has taken a majority stake in PENNEL & FLIPO SA through a private primary LBO, along with Cabestan Capital (managed by Edmond de Rothschild Investment Partners) as a minority co-investor, to further develop the company, in an international perspective. In the past 18 months, the company has expanded its commercial team throughout the world and increased its revenues by around 10%, 80% of which outside France and Belgium.

Backed by this growth path and its international network, PENNEL & FLIPO's management and IDI have convinced family-owned company FAIT PLAST, based in Brescia (Italy), and its management to join the group through a primary LBO, a private operation once again. European leader in the manufacturing of technical thermoplastic films, FAIT PLAST has a unique set of very complementary expertises. Thus, its films are used for various applications, including ecological thermo adhesive films for shirt/T-shirt printing, functionalisation of sportswear and underwear, anti slipping solution for hosiery and orthopedic market, technical packaging, medical and paramedical, technical textiles. FAIT PLAST, a company with a similar level of turnover, was looking for further growth outside Europe. Through this merger, FAIT PLAST will



benefit from PENNEL & FLIPO's worldwide commercial network. For its part, FAIT PLAST will assist PENNEL & FLIPO in the development of new technical thermoplastic textiles (TPU, in particular).

The acquisition will be financed from a capital increase subscribed by IDI and Cabestan Capital and the structuring of a new bank debt subscribed with Caisse d'Épargne Hauts de France. Tikehau will participate in the operation by maintaining its bonded debt.

The newly constituted group will :

- represent around 70 million euros in revenues, with a good level of profitability,
- have 180 employees, 25 of which will be dedicated to R&D,
- operate 2 state-of-the-art production sites in Belgium (Mouscron) and Italy (Brescia),
- benefit from a worldwide commercial network, including PENNEL & FLIPO's subsidiaries in the USA, China and Russia,
- provide its customers with complementary technical solutions (textiles or films, rubber or thermoplastic).

Guido Arici, one of the two historical family shareholders of FAIT PLAST, reinvest into the operation, keeps its managerial position and enters the Board of Directors.

Emmanuel Caprigione, President at PENNEL & FLIPO SA, comments:

« This acquisition is a great opportunity for both companies and their employees. We share the same DNA to provide solutions for customers. Our expertises are very complementary and we will benefit from a very similar corporate culture and a very high potential for innovation and new products development. Our teams were already familiar with each other, now they will be able to work together, innovate and create new products and solutions to address new markets around the world. »

Guido Arici, President at FAIT PLAST SPA, comments:

« At FAIT PLAST, we were looking to join forces with a successful and acknowledged industrial. With this operation, we will be able to build a major player in technical textiles and films, supported by a worldwide distribution network. I am very confident for the future and I am delighted to remain a shareholder. »

Julien Bentz, Partner and member of IDI's Executive Committee, adds:

« FAIT PLAST is a wonderful Italian company and has demonstrated for almost 50 years its ability to provide its customer base with solutions, based on performing thermoplastic films. We found great similarities between FAIT PLAST and PENNEL & FLIPO : ongoing innovation for customers, industrial and operational excellence, sound financial management.

IDI seeks to work closely and actively with the companies in its portfolio, in order to build European niche champions able to conquer international markets. This transaction is an emblematic example of the latest deals made by the group, coming after the two acquisitions for WinnCare in Scandinavia last year. As valuation levels are sometimes high within the Private Equity industry, growing the business of the companies in portfolio, in particular through structuring acquisitions including major strategic and operational issues, is an excellent way to create value for IDI. »



Participants:

Pennel & Flipo : Emmanuel Capriglione, Bernard Delcourt, David Ray, Gérard Maerten
Fait Plast : Guido Arici, Andrea Arici, Pierluigi Beltrami
IDI : Julien Bentz, Augustin Harrel-Courtès, Jonas Bouaouli
Edmond de Rothschild Investment Partners (Minority co-investment) : David Robin, Sabrina Bazire
Sokrates (Buyer's Advisor / Strategic Advisor) : Lubomir Mortchev, Jean-Marie Lalanne
Hogan Lovells (Buyer's Advisor / Corporate) : Stéphane Hutten, Arnaud Deparday
Hogan Lovells (Buyer's Advisor / Fiscalité) : Bruno Knadjian, Laurent Ragot
Hogan Lovells (Buyer's Advisor / Financement) : Alexander Premont, Sophie Lok
New Deal Advisors (Buyer's Advisor / Financial advisor) : Guido Pelissero, Alessio Chicchi
Studio Bandera (Seller's Advisor / Corporate) : Arrigo Bandera
Studio Franzè (Seller's Advisor / Corporate) : Roberto Franzè
Caisse d'Épargne Haut de France (Senior Debt) : Pascal Lefort, Pierrick Tiret, Nadejda Gurova
De Gaulle Fleurance & Associés (Caisse d'Épargne Advisor) : May Jarjour, Pauline Sturzenegger
Tikehau (Mezzanine Debt) : Cécile Mayer-Lévi, Laurent Vaille
Paul Hastings (Tikehau Advisor) : Olivier Vermeulen, Marc Zerah

About IDI:

IDI, a pioneer of investment in France, is a listed investissement firm that has focused for more than 45 years in accompanying small and mid companies. IDI is involved in all kind of investment businesses, both for own account and third parties, through IDI and its entities Idinvest Partners and Idi Emerging Markets. The Group currently manages roughly 8,4 billion euros of assets. IDI's efficient management benefits all stakeholders, including the shareholders, who enjoyed a 14,47% annualised IRR (with dividends reinvested) since the IPO in 1991.

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