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## Capzanine co-arranges mezzanine financing for MBO of Socotec

November 2008

*CDC Capital Investissement finalises the MBO of Parisian firm Socotec, valued at almost €400M. Capzanine co-arranges the mezzanine financing of the operation.*

With a target sales figure of €430M and Ebitda of €36M for 2008, Socotec, a firm founded in 1929, is today one of the French leaders in inspection and technical supervision in the construction and real-estate sectors.

Following a lengthy process, the fund CDC Capital Investissement finalised the MBO of Socotec during November 2008. Historically 100% owned by a part of its staff, 75% of the company's capital is now owned by the fund, with employees and managers retaining the balance. To finance the €180M debt of the operation (mezzanine included), the main investor was supported by BNP Paribas, Calyon, Natexis and Société Générale for the senior debt and Capzanine, together with Axa Mezzanine and IFE, arranged the senior mezzanine financing.

According to Yves Le Sellin (CEO of Socotec), the firm's "system had reached its limits. Employee stock-ownership did not enable it to take the necessary risks to secure its development, as more than half the capital was held by shareholders over the age of forty-five. In the long term, the set-up could have slowed down the company's growth." This LBO will thus give Socotec the resources it needs to boost its commercial offering, to continue to develop its new business lines and to step up its roll-out abroad.

*"Our decision to invest was swayed by certain decisive factors. The company is led by a competent managing team which has real know-how and an excellent reputation,"* says Laurent Bénard, director at Capzanine. *"The company has all the assets to stabilise its growth in the years ahead."*

Socotec is thus starting over with a significantly different stock-ownership setup. With the support of these financial partners, the firm can now go on to write a new chapter in its history.

### **About Capzanine**

Capzanine is an independent investment fund founded in 2004 and a pioneer in combined "equity and mezzanine" investment. It supports businesses in their quest for growth, providing financial and industrial expertise to successfully conduct transmission or development phases. Depending on the case, Capzanine invests either as a majority or minority shareholder and/or as a mezzanine investor in unlisted small and mid cap companies, with an Enterprise Value of between 20 and 300 million euros.

Based in Paris and run by three partners, Thierry Degroote, David Hoppenot and Christophe Karvelis, Capzanine currently has €565 million under management. The fund's investments include: Idex, Credirec, 5 à Sec, Béaba, AMS ou Socotec.

For more information: [www.capzanine.com](http://www.capzanine.com)