



Press Release

Paris, 20 November 2017

HLDI and HLD Europe enter into exclusive negotiations with PAI Partners and Sagard to acquire Kiloutou.

HLDI and HLD Europe entered into exclusive negotiations with PAI Partners and Sagard to acquire a majority stake in Kiloutou, one of the European leaders in equipment rental.

The closing of the transaction is subject to the consultation of the Works Council and the approval of anti-trust authorities.

Founded by Franky Mulliez in 1980, Kiloutou is the second largest player in the industrial and construction equipment rental market in France and the fourth largest in Europe. Kiloutou offers its customers the widest range of equipment on the market. With an expected turnover of more than €600 million in 2017 and 4,300 employees in Europe, Kiloutou operates c. 500 branches in Europe (France, Poland, Spain, Italy and Germany). The Kiloutou Group targets a diversified client base of professionals: public corporations, construction companies, craftsmen, municipalities and administrations, industries, service companies and SMEs.

With the support of its new shareholders and with its management team, which has gained a real expertise in external growth over the last 10 years, Kiloutou will be able to accelerate its growth in Europe and strengthen its leadership position on the French market.

The significant reinvestment of Franky Mulliez and Kiloutou's team (1,400 shareholder-employees) led by Xavier du Boÿs and Olivier Colleau alongside HLDI and HLD Europe demonstrates their deep conviction in the development potential of Kiloutou.

Xavier du Boÿs, Chairman of Kiloutou:

"I am delighted to be able to start a new era in the development of this superb company with our new shareholders, with whom we share the same values. Together, we aim to build a large European platform for equipment rental focused on our mission: to simplify the lives of all our customers wherever they are. In order to accomplish this goal, we will continue to broaden our service offering and to improve our customers' experience, especially through investments in digital. We will succeed in this project by remaining true to our commitment to sustainable development and by maintaining our focus on the men and women of Kiloutou, who are key to its success."

Jean-Bernard Lafonta, Partner and Co-Founder of HLD:

“HLD, specialised in accompanying successful companies with no time constraints, is the ideal candidate to support Kiloutou in the upcoming years of its development: this will enable us to achieve Kiloutou’s ambitions on the European market in spite of recurring economic cycles. We are delighted to be associated with Kiloutou’s growth project. We share the same values of passion of putting the client first, having a strong appetite for performance and confidence in the men and women of Kiloutou. Between the impressive dynamism of the teams and the entrepreneurial spirit that drives HLD, we are confident that Kiloutou can become the European leader in the sector.”

Antoine Ernoult-Dairaine, Partner at Sagard:

“As Kiloutou shareholders since 2005, we are very proud to have accompanied, for more than 12 years, the different stages of growth of the Kiloutou group, in France and subsequently in Europe, first as a majority shareholder and more recently as a minority shareholder. We attribute this success to the women and men who lead the group on a daily basis with energy and positivity. Our thanks also go to Franky Mulliez, the group management team and PAI Partners for their trust.”

Nicolas Holzman, Partner at PAI Partners:

“During the past six years, Kiloutou doubled in size pursuing significant gains in market shares, diversifying its product lines and becoming a fantastic acquisition platform. Today, Kiloutou is a European leader with a presence in five countries. We want to warmly thank Kiloutou’s teams, its management team and our equity partners for this great transformation adventure.”

About Kiloutou

As the fourth largest European rental company and a major player in equipment rental in France, the Kiloutou Group provides products and services to a diversified client base: public corporations, construction companies, craftsmen, municipalities, administrations, industries, service companies and SMEs. The Kiloutou group offers the widest product range on the market with more than 1,000 references: access equipment, earthmoving and construction equipment, commercial vehicles and events. With an expected turnover of more than €600 million for 2017 and a workforce of 4,300 in Europe, Kiloutou continues its development with a network of c. 500 agencies. In France, the network of 420 branches guarantees unparalleled proximity to all customers, including specialised hardware stores and downtown retail outlets. The network also has 32 branches in Poland, 14 in Spain, 10 in Italy and 3 in Germany.

About HLDI

Founded in 2016, HLDI is a holding company with industrial interests controlled by Dentressangle Initiatives, the investment holding company of the Dentressangle family, and supported by HLD teams. HLDI intends to invest in control, alongside HLD Europe. HLDI currently holds Tessi with HLD Europe.

About HLD Europe

Kiloutou is the fourth acquisition of the year after Tessi, realised with HLDI, Le Couvent des Minimes and M-Cube, HLD Europe's first acquisition in Italy.

HLD Europe is an investment group founded by entrepreneurs, for entrepreneurs. The founding partners are Jean-Philippe Hecketsweiler, Jean-Bernard Lafonta and Philippe Donnet. HLD has world-class entrepreneurs as leading shareholders, notably Claude Bébéar (Founder of AXA Insurance Company), Norbert Dentressangle (Founder of the eponymous group), Jean-Charles Decaux (co-CEO and representative of the founding family of the street furniture group JCDecaux) or Christian Gueugnier and Didier Le Menestrel (founders of La Financière de l'Echiquier). HLD Europe owns Tessi, Filorga, Sarenza, Coyote, Elivie, Le Couvent des Minimes, M-cube and holds stakes in SVR, Tranoï, Funbridge, Alchimie or Gekko (company being sold to AccorHotels).

The vocation of HLD is to invest with a long-term horizon in European companies to support their international expansion and to strengthen their leadership. HLD is interested in companies with an entrepreneurial approach offering potential for organic and external growth, operating performance improvement and international development.

For more information on HLD Europe: www.groupehld.com

About PAI Partners

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. PAI manages €8.8 billion of dedicated buyout funds. Since 1994, the company has completed 63 transactions in 11 countries, representing c. €43 billion in transaction value. PAI is characterised by its industrial approach to ownership combined with its sector-based organisation. We provide the companies we own with the financial and strategic support required to pursue their development and enhance strategic value creation.

For more information on PAI: www.paipartners.com

About Sagard

Sagard is a French investment fund which supports the development of mid-cap companies led by ambitious management teams. Sagard, founded in 2003 on Desmarais family initiative (Power Corporation of Canada), gathers several big industrial families and manages funds with current AUM of €2.5 billion. Since 2004, Sagard and its team of 10 professionals based in Paris have realized 30 investments in the industry and services in France, Belgium and Switzerland.

For more information on Sagard: www.sagard.com

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