

Press release

Argos Wityu is to acquire an industrial group specialised in critical electronic solutions.

Argos's objective is to implement a strategy of active growth, both internal and through acquisition, in France and abroad, and to pursue and strengthen the group's innovation strategy, by investing in R&D.

Paris (France) – 13 December 2021 – Argos Wityu, an independent European investment fund, is to acquire a majority stake in the capital of the French family-owned group that holds the following five companies: FEDD, Leroy Automation, Phenix Electronique, Team 31 and DMAI. This high-technology group, located in south-western France, offers its clients 360° electronic solutions dedicated to critical systems.

When the transaction is complete, Argos Wityu will be the majority shareholder of the companies in the group and will support the new chief executive, Bruno Picquart, alongside the historical shareholder-managers of the group's companies. The transaction is subject to prior consultation of the employee representative bodies.

This managerial and ownership change reflects the shareholder-managers' desire to transfer ownership of the business in a well-organised manner so as to ensure that the group and its 300 regional employees continue to flourish and pursue the company's development on new markets.

A new chief executive

The group will be headed by Bruno Picquart, former Senior Vice President of Safran Aircraft Engines (ex-Snecma). Mr Picquart is an expert in high-value-added technology products and services in markets requiring second-to-none excellence and in high-growth situations involving major international groups. Bruno Picquart also been the head of an SME and will use his experience to accompany the development of the group.

Objectives

Argos Wityu and Bruno Picquart aim to pursue and strengthen the group's innovation strategy, by investing in R&D, equipment and employee training in all of the group's entities. They also wish to implement a strategy of active growth, both internal and through acquisition, in France and abroad, in the sectors where the group is already present and in new verticals requiring extremely high quality and reliability. The group will thus be able to consolidate its strengths, cross a new threshold and carry out new ambitious projects, owing to the additional capital and expertise.

The group

Founded in 1980, the group has four sites in three French *départements* where the aerospace industry has a strong presence: Dordogne, Haute-Garonne and Corrèze.

The group is active along the entire value chain of complex electronic products (R&D, co-design, prototyping, manufacturing, maintenance and repair), produced in small and mid-sized series.

It works in partnership with its clients, who are multinationals and large SMEs in the strategic sectors of aerospace, rail, energy, manufacturing, research and defence.

The group's entities work in synergy with each other. FEDD is specialised in co-design and manufacturing; Phenix Electronique makes prototypes and manufactures essentially for the aerospace industry; Team 31 creates rapid prototypes; and Leroy Automation designs and manufactures control and command systems, principally for the rail sector. DMAI manages the IT resources of the four entities.

The group realised consolidated revenue of around €50m in 2020. It has grown organically by nearly 10% p.a. on average over the last 10 years (excl. Covid).

Karel Kroupa, Managing Partner at Argos Wityu, said, *"Argos Wityu is very proud to have been chosen by the family executives of this very successful French high-tech company. We will strive to preserve the group's DNA and develop its innovation-based identity."*

Bruno Picquart, future new chief executive, added, *"I am pleased to take the reins from the outgoing family shareholders and to pursue the industrial orientation they have developed. It is in the spirit of continuity, with a long-term view of the company and the intention to step up its growth that I am joining the group and investing in it."*

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Argos Wityu team

Karel Kroupa, François Becque, Marc Faucon, Bilel Oumheta

Seller participants

Family shareholders M&A advisers : Clairfield International (Bertrand Hermez, Marie Dokchine, Romain Fisch); Legal advisers: Goodwin (Benjamin Garçon, Julien-Pierre Tannoury)

Argos Wityu participants

Legal Counsel: McDermott Will & Emery (Grégoire Andrieux, Pierre-Arnoux Mayoly, Sabine Naugès, Maxime Fradet, Stanislas Chenu, Charlotte Michellet, Sacha Frantz); Tax Counsel: Arsene Taxand (Franck Chaminade, Noémie Bastien); Legal Counsel Managers: Hogan Lovells (Stéphane Hutten); M&A Advisory: PwC Corporate Finance (Geoffroy Pacault, Roman Farcy); DD Finance: EY (Emmanuel Picard, Marion Lassus-Pigat, Mathilde Faure); DD Strategy: Arthur D. Little (Matteo Ainaridi, Tugdual Hervouet); DD Environment: Ramboll (Bertrand Latrobe, Clothilde Pineaud); DD ESG: PwC (Sylvain Lambert, François Thueux, Aïda Aw); R&W Insurance Broker: Marsh (Charles Amblard, Charline Bretagne); Executive Search: Kint Partners (Gilles Gonzalez); Debt: LCL (Ivan Piqueras)

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About Argos Wityu

argos.wityu.fund

Argos Wityu is an independent European investment fund that supports companies in the transfer of business ownership. It has assisted more than 80 entrepreneurs, focusing its investment strategy on complex transactions with emphasis on transformation, growth, and close collaboration with management teams. Argos Wityu seeks to acquire majority interests and invest between €10m and €100m with each transaction. With more than €1bn under management and 30 years of experience, Argos Wityu operates from offices in Brussels, Frankfurt, Geneva, Luxembourg, Milan and Paris.