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TURNING THE EUROPEAN CSRD DIRECTIVE INTO A COMPETITIVE STRENGTH





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The CSRD (Corporate Sustainability Reporting Directive) regulation applicable since 01 January 2024 lays down new standards and obligations for **non-financial reporting**. In 2025, all large companies listed on a regulated market and non-listed companies exceeding two out of three specified criteria (balance sheet total over €25M / Revenue above €50M / more than 250 employees) must publish a "sustainability" report for their 2024 financial year (source: entreprendre.service-public.fr), replacing the DPEF in France.

This could be considered something of a **constraint, yet it also presents a pro-business approach** and a possible opportunity for strategic planning and commercial development. All stakeholders in large companies keep an eye on operations and organisation. There is a noticeable increase in the number of calls for tender that include requests for compliance with ESG specifications, application of improved rates for loans with ESG criteria, and better entry and exit valuations with regard to equity investment funds.

French legislation on these matters is trailblazing in terms of the environment and social issues alike, with a large number of obligations: energy performance appraisal and audit, carbon footprint assessment, labour code, collective agreements, etc. Our companies have adapted under this pressure and adjusted their working practices. They have already learned how to turn these regulations to advantage and **transform them into a competitive strength**. The same holds true for the CSRD and its European Sustainability Reporting Standards.

New opportunities could therefore emerge from this new regulation.

How can you prepare for upcoming changes? First and foremost, by educating yourself and making sure you get the right advice! These laws are complex and hard to decipher, so it's prudent to listen to an expert opinion to help you understand them and focus on the crux of the issue.

There are a few guidelines to keep in mind with this approach:

- **Compliance or explanation of non-compliance:** when a business cannot meet a

requirement set by the standards, it must explain why it cannot provide the necessary information.

- **The principle of continuous improvement:** the company should not attempt to achieve compliance with ESR standards in the first year, but should pursue a process of continuous improvement and adaptation.

- **The setting-up period:** it is anticipated that it takes one to three years to gather and ensure the reliability of qualitative and quantitative information.

Before entering the operational phase of setting up their sustainability reporting system, a company has to conduct an overview of the information required by stakeholders and norms. To do this, attention must be focused on ESG best practices:

- **Environmental:** a responsible purchasing policy, employee travel managed to reduce emissions, investments for reducing energy consumption;

- **Social:** working conditions, flexible working hours, training;

- **Governance:** a policy regulating ethics and gender parity.

It's also important to identify variations from expected norms (gap analysis), and to determine material themes and information, both in terms of impact and from a financial viewpoint (double materiality).

Above all, this process is an opportunity for the business to **refocus on strategy and its long-term implications**, bearing in mind two key words:

- **Adaptability:** businesses must come to terms with ever more complex environments and deal with crises.

- **Longevity:** businesses must look 3, 5, 10 or more years ahead and examine whether they will be able to continue to exercise their professions as they do today, or have to change due to resources either no longer being available or being too costly.

In the future, our M&A activities will involve integrating CSRD in company valuations, understanding sustainability reports that are sufficiently transparent without revealing too much information about long-term strategy and governance, and comparing the information provided in sustainability reports from companies operating in the same sector, etc.

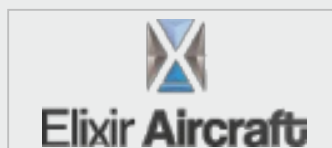
RECENT MISSIONS



**BUILDINGS / INSULATION
& ENERGY RENOVATION**
LBO

CSI RESEAU (revenue: €30M) is specialised in renovating outer shells and fitting out interiors of buildings for tertiary use. As designer, manufacturer and fitter, the group encompasses a range of trades and is very active in the fields of insulation and energy renovation. Denis Nezar, founder and CEO of CSI Réseau since 1998, approached the transfer of his group by setting up an **LBO with his managers** and the regional investment fund **AQUITI Gestion**, to ensure the development and continuity of CSI Réseau.

**PHILIPPE DELECOURT
MICHÈLE FINE
ARNAUD MARCHANDIER**
SELL-SIDE ADVISORS



**AIRCRAFT
MANUFACTURER
FUNDRAISING**

ELIXIR AIRCRAFT, La Rochelle-based manufacturer of fourth-generation certified training and commercial aircraft, raised €13M in capital from several investors, including **Innovacom**, **Bpifrance** and the **Nouvelle-Aquitaine Region (NACO)** in the final funding round for a total of €40M for development over the next 5 years. This operation enables the aircraft manufacturer to accelerate its industrial and commercial ramp-up and to establish itself permanently in the general aviation market as a cutting-edge business.

**PHILIPPE LAURENT
FLORENT COUDRAY**
ADVISORS TO THE COMPANY



**INSURANCE BROKER
SALE**

LINKERS assisted the Guian family, founders and owners of **SPB**, in the disposal of a majority stake in the group to the **BlackFin** fund. European leader in peer-to-peer insurance founded in Le Havre in 1965, SPB currently generates more than €100M in commissions in France and half a dozen other countries. Jean-Marie Guian has retained the domestic appliance repair service developed over the last few years under the **SAVE** name (revenue: €35M) in a network of 200 shops in Europe, through a carve-out.

**PHILIPPE DELECOURT
SIDNEY SERVAL**
SELL-SIDE ADVISORS



**KITCHEN & BATH
EQUIPMENT
SALE**

LUISINA (revenue: €50M) is a family-owned group from Brittany founded in 1989 by the father of the current owners, specialised in kitchen and bathroom equipment for professionals, which offers one of the largest and highest quality ranges in the sector. LUISINA has paired with **SCHÜTTE**, its German counterpart, which continues to expand internationally and strengthen its position in the French market. The new group formed by this strategic alliance (revenue exceeding €175M) holds the promise of exciting industrial and commercial synergy.

**PHILIPPE DELECOURT
MICHÈLE FINE**
SELL-SIDE ADVISORS



**DIGITAL & ENERGY
NETWORKS
ACQUISITION**

ENSIO (2023 revenue: €530M) is a French leader in digital networks and power grids. For over 45 years, its teams of experts and specialist technicians have assisted key accounts (ORANGE, ENEDIS, GRDF, etc.) with turnkey solutions. The acquisition by ENSIO of **SIR** (revenue: €7M), based in Garons near Nîmes, in France is fully in line with the ENSIO group's strategy to step up expansion in energy business sectors.

JÉRÔME LUIS
BUY-SIDE ADVISOR



**WATER ENGINEERING
SALE**

HYDRETUDES, an engineering company operating in the fields of flood prevention and design of protection structures and water supply systems, has been acquired by **ALTEREO**, an engineering and consultancy group supported by **SIPAREX**, **BNP Développement** and **Africinvest**. After acquiring a company with expertise in mountain rivers and streams, urban hydrology specialist ALTEREO has now gained new skills and forms a group with 300 water experts, generating €28M.

**JÉRÔME LUIS
ARNAUD MARCHANDIER**
SELL-SIDE ADVISORS



**TRANSITION TO
SUSTAINABLE ENERGY
ACQUISITION**

Assisted by **ISATIS Capital**, **MPH ENERGIE** (revenue: €50M), an energy transition leader with solutions and services for measuring, transporting and distributing fluids, has acquired **FPS**, expert in solutions for storing and conveying all types of fluids, recognised for its know-how and accomplishments with critical gases. FPS will provide MPH Energie with its expertise in handling green gases, building infrastructures for energy distribution, and sale of high value-added products and solutions.

**PHILIPPE DELECOURT
ARNAUD MARCHANDIER**
BUY-SIDE ADVISORS



**SOFTWARE SOLUTIONS /
TRAINING FOR PENSION...
SALE**

FACTOIRELLES and **PREVISSIMA** (2023 consolidated revenue: €4M) respectively specialist in software solutions and training for pension and social security professionals, and prominent information platform for social security (14 million pages viewed), have merged with **QUALIRETRAITE**, a major player in retirement support, to become the national B2B2C and B2C leader. Impact funds **Impact Partners**, **Arkea Capital** and **Volney Développement** have invested in this social endeavour.

**PHILIPPE LAURENT
FLORENT COUDRAY**
SELL-SIDE ADVISORS

ENTREPRENEUR'S VIEWPOINT



Laurence Touchard, former head of SCOOOP Voyages, which she has sold to her staff.

Can you tell us about SCOOOP, which you developed for over two decades?

SCOOOP, a “traditional” B2B travel agency, was founded in 1987. I joined SCOOOP in 1996 as Sales Manager, and developed a new concept for personalised business travel for the agricultural and agri-food sectors, banks and insurance companies, areas in which I had identified a real need for a more professional dimension to travel. The rapid development of business travel and the gradual withdrawal of SCOOOP’s founder from everyday operations led me to a general management position in 2001. I took over full ownership of SCOOOP on 1 January 2007, in association with the then Sales Manager Katell Tanguy. Between 2007 and 2023, SCOOOP became the go-to partner for any company in the agricultural, agri-food, bank and insurance sectors needing personalised business travel.



Laurence TOUCHARD
President, SCOOOP



Why did you decide to pass the company on to your staff?

Given the characteristics of the job, which requires enormous professional expertise in agricultural, banking and insurance matters, and the importance of having the right network to continue developing SCOOOP, the solution of passing the company on to Katell Tanguy, General Manager, Samuel Régnier, Assistant General Manager and Grégory Gendron, Financial and Administrative Manager, was the easiest and most logical. After 22 years with SCOOOP, Katell Tanguy has the professional experience and customer loyalty essential for continued development.

What was LINKERS’ role in this transaction?

LINKERS partners Michèle Fine and Jérôme Luis have acted for me from the outset. Not only does LINKERS truly understand our ecosystem and SCOOOP’s DNA, they have helped me to build my plans. They have worked with me on an attractive and well-constructed information package, targeted potential buyers (companies and investment funds) and provided me with detailed bids allowing me to challenge all offers and choose the best option to safeguard the interests of SCOOOP, the purchasers and the seller.



ONGOING MISSIONS

Buying Mandates *
Training / Digital learning
Facility management
Industrial cleaning services
Wealth management advisory
Customer relations / Loyalty
Energy Transition
Security
Education - Childcare centres

* LINKERS deals mainly in sell-side opportunities. For reasons of confidentiality no information on these transactions is divulged before they are finalized.

EXPERT OPINION



Reduction in the value of the BSPCE share warrant strike price: an inconclusive fiscal update.

On 27 March 2024, the tax authorities updated their official statements to facilitate application of reductions in setting the BSPCE share warrant strike price.

These clarifications are very welcome, as they indicate that:

- the purchase price can be determined at the fair value of the securities on the day the warrants are allocated by the extraordinary general meeting, in accordance with objective financial methods for valuing securities;
- illiquidity may amount to a difference in rights allowing a reduction to be applied (notably if there is a clause providing for “lock-up” periods);
- this difference in rights allowing the application of a reduction might arise from both statutory and contractual clauses (for example a preferential liquidation clause stemming from a shareholders’ agreement). Although these clarifications are helpful for



Christophe MOREAU
Partner

Hugo LATRABE
Associate

taxpayers, the tax authorities do not provide any practical guidelines for determining the reductions, as is the case in the United States with the “409A valuation” method. Likewise, there is no clarification of acceptable levels of reduction, as might have been expected following the announcement in October 2023 by Jean-Noël Barrot, the ex-Deputy Minister for Digital Affairs, which implied reductions of up to 90%.

The fact remains that it will be important to keep supporting documentation for the reduction applied during the valuation to forestall any challenge from the authorities.

LINKERS' INTERNATIONAL NETWORK

Africa:

Morocco

Americas:

Argentina | Brazil | Canada | Ecuador | Panama | Peru | USA

Asia / Oceania:

China | Japan | Malaysia | New-Zealand | Singapore

Thailand | Vietnam

Europe:

Belgium | Denmark

Finland | France | Germany

Great-Britain | Greece | Hungary

Ireland | Island | Israel | Italy | Lithuania

Netherlands | Norway | Poland | Portugal

Romania | Spain | Turkey



OUR NETWORK IS EXPANDING IN SOUTH AMERICA: PERU AND PANAMA



MISTI Capital is an independent M&A consultancy based in Lima and headed by four partners: Rodrigo Mejia, Christian Laub, Eduardo Gomez de la Torre and Mariano Baca. An open economy attractive to investors, Peru is counted as one of the four major Latin American countries.

MISTI Capital's transactions range from 30 to 250 million USD, with valuation multiples of between 6 and 12 times the EBITDA (BV/EBITDA) depending on the sector. Agriculture, farming and fishing are generally in the lower bracket, while chemicals, health and other high-end sectors have higher valuations.

Opportunities in 2024 include health care and education, whose long-term growth outlook appeals to investors, as well as industry, chemicals, services industrial materials and manufacturing, which are very attractive for M&As.

An illustration of this is the recent disposal of family-owned business CHEMA to the Swiss company SIKA, with the assistance of MISTI Capital, and debt rollovers for Soluciones Estructurales, Del Ande Alimentos and Michelle Belau.



VERSATA Capital is an independent investment bank and financial advisory company founded in Panama in 2009 by Robbie Garcia. With an MBA from Harvard, Robbie has extensive international expertise acquired as a consultant with Bain & Company, then Procter & Gamble, Visa International, PepsiCo and Dell Latin America.



EBITDA (BV/EBITDA), according to the sector, with a particular focus on the key sectors of telecommunications, logistics, shipping, food and drink, and property. The expansion of the Panama Canal has increased the country's appeal as a gateway for international shipping, and encouraged foreign investment, including M&A operations.

Joining M&A WORLDWIDE is a strategic move for VERSATA, which thereby strengthens its capabilities in the regional and global markets. Due to its strategic position, Panama has experienced steady economic growth (+4.9% on average) over the last decade, and should continue to develop by around 4% per year until 2028. Transactions are generally valued at between 5 and 10 times the

Amongst its achievements, VERSATA Capital has assisted Proserv in divesting a majority stake to the largest food services business in the Caribbean, Ballester Hermanos; Alternative Holdings in securing funding for the acquisition of PSI, which represents manufacturers and distributors of industrial boilers in the North Pacific /US markets; and other operations in the hospitality business and service sectors.

CROSS-BORDER DEALS

SALES: Luisina to Schütte group (Germany); ADT International to LanguageWire (Denmark); TEB GmbH (Germany), TEB Polska (Poland) and TEB Iberica (Spain) to Scutum group; WeeSafe to Kolmi Hopen - Medicom group (Canada); Alco to CTA (Italy); L'Officiel du Déménagement to Movinga (Germany); Adonis Environnement (Madagascar) to Veolia Africa; Editiel (Mauritius) to GL Events; SecludIT to Outpost24 (Sweden); Camping&Co to Rocket Internet (Germany); SVD to Exertis (Ireland); Climpack-Metnext to Weathernews (Japan); Genetel to Anite (UK); Packinox to Alfa Laval (Sweden); Eboutich to Maus (Switzerland); Elysees West to Hotusa Hotels (Spain); Tisys to Ultra Electronics (UK); Econocom CH to Lease-It (Germany); Axys to Meta4 (Spain); La Celliose to CIN (Portugal); Coriance to A2A (Italia); France Hybrides to Hendrix Genetics (NL); Agis-Di Pasto to Ter Beke (Belgium); Filec to Amphenol (USA); Cemm Thome to Amphenol (USA); Stoll Trucks (Luxembourg) to Turenne Capital and Euro Capital...

ACQUISITIONS: Argyle (USA) by Labrador; Martin GmbH (Germany) by Infraneo; Cap Protection (Belgium), Insurance2Go (UK), Citymain (UK) and PC Garant (Germany) by SPB; Paul Budde Communication (Australia) by Ubiquick; Ibrams (Germany) and Brand Project (Sweden) by Wedia; Pratik (Germany) by Pratique; Frölich u. Walter (Germany) by CUC...

A REWARDING CSRD EVENT!



On 3 April, LINKERS joined forces with Caisse d'Épargne Rhône Alpes to organise an event devoted to the CSRD, the European directive intended to standardise non-financial reporting in regard to sustainability. The event was a perfect opportunity to examine current and future issues faced by businesses.

A big thank you to Nicolas Rossero (Co-founder & CEO of @New-E), Cédric Desachy (Partner, Agili-3F), Charles Delbrouck (Green Banker, Caisse d'Épargne Rhône Alpes), Eric Carlier (R&D Manager, Fysol), Didier Bruno (Management Board, Caisse d'Épargne Rhône Alpes) and Paolo Zoppi, LINKERS



Partner in Lyon, for the quality of their talks and their contribution to the success of this event. Their knowledge and viewpoints gave extra depth to our discussions and helped us better understand the challenges and opportunities presented by the CSRD.

LINKERS-FRENCH DRAGON CHAMPIONSHIP: 21-24 JUNE 2024

The LINKERS OPEN in DEAUVILLE once again provides the venue for the French Dragon Championship, as it did in 2018 when it was won by the European champion Pedro Rebella, with double Olympic champion Pol Ricard Hoj-Jensen in second place. They were followed by Gery Trentesaux, the leading French contender and therefore new French champion, and Philippe Presti, double world champion and double winner of the America's Cup!

This just goes to show the quality of the contenders competing each June in this regatta for the recreational keelboats known as Dragon! This year, Peter Gilmour will defend his title won in Douarnenez in 2023, after winning the Match-Racing world championships at four occasions and having taken part in several America's Cup races either as helmsman or coach (Alinghi sailing team, winner in 2007). The event will also have a historical dimension with the presence of the **Royal Dragon Bluebottle**, the legendary Dragon presented by the Island Sailing Club to **Princess Elizabeth and Prince Philip** on their wedding in 1947! This boat, now entirely restored, has returned 70 years after taking part in regattas in Deauville in the 1950s.



Royal Dragon Bluebottle racing, the Duke of Edinburgh helming with his son Charles, Prince of Wales (1957).



LINKERS TEAM



M. Fine

S. Serval

A. Marchandier
J. Luis

G. Lebranchu

P. Laurent
D. Busquet

G. Anselin

P. Laurent

P. Zoppi

A. Lacordaire

M. Belbéoc'h

B. Le Guillou

P. Delecourt

A. Zoppi

F. Coudray

C. Fernandes