# Good level of activity for Altamir in H1 2018

**Paris, 5 September 2018 –** In accordance with our 8 August announcement based on estimated data, **Net Asset Value[1] per share** stood at **€21.11** as of 30 June 2018 after distribution of a dividend of €0.65 per share in May 2018.

Including the dividend, Net Asset Value per share increased by 1% from 31 December 2017 (€21.54), vs +0.8% in H1 2017, and by 2.6% from 31 March 2018 (€21.21), when only the listed portfolio companies were revalued.

During the first half of 2018, portfolio companies overall turned in very good operating performances; as of 30 June 2018, the average EBITDA of the portfolio, weighted by each company's residual cost, increased by 17% over the last 12 months. These performances were counterbalanced by the write-down of our investment in Nowo/ONI and by the sale of 54% of our stake in Albioma at a discount to the share price, as part of a private placement. In addition, valuation multiples had a favourable impact, whereas exchange rate fluctuations had virtually no effect during the period.

**Net Asset Value** (IFRS shareholders' equity) as of 30 June 2018 was **€770.9m[2]** (vs €786.7m as of 31 December 2017).

## €81.3m in investments and commitments – 3 new investments

In the first half of 2018, Altamir invested and committed **€81.3m** (vs. €74.2m in H1 2017), including €11.0m in follow-on investments to support existing portfolio companies (in particular Altran in its acquisition of Aricent) and €70.3m in three new companies:

- **€31.1m**[3] via the Apax France IX fund in the Italian company **Business Integration Partners (Bip)**, a consulting firm specialised in strategy, IT and digital transformation services, supporting companies in their innovation strategies and in the adoption of disruptive technologies. Bip is present in more than 11 countries;

- approx. **€36m**[4] via the Apax France IX fund in the Dutch connectivity solutions specialist **Expereo**, one of the world's largest managed internet network and cloud connectivity solutions providers, with more than 11,500 enterprise and government sites under management across more than 190 countries;

- **€3.2m** via the Apax IX LP fund in **Healthium MedTech**, the leading independent medical devices player in India (wound closure products, minimally invasive surgical supplies, urology products, surgical gloves, etc.).

[1] NAV net of tax, share attributable to the limited partners holding ordinary shares
[2] M: millions
[3] based on the upper limit of Altamir's commitment to Apax France IX
[4] based on the upper limit of Altamir's commitment to Apax France IX and provided that a certain portion of the investment is syndicated by Apax France IX

## €80.5m in divestment proceeds and revenue

First-half 2018 divestment proceeds and revenue amounted to **€80.5m**, compared with €94.2m in H1 2017, and broke down as follows:

- **€37.6m** from the sale of 54% of Altamir's stake in Albioma as part of a private placement with institutional investors (Altamir now holds 5.5% of the company's share capital, via Financière Hélios);
- **€13.7m** from the sale of Altamir's remaining stake in **Gfi Informatique**, in accordance with the agreements signed with Mannai Corporation in 2017;
- **€12.2m** from the sale of Belgian company **Azelis** (not finalised as of 30 June);
- **€6.4m** from the sale of Altamir's remaining stake in US company **GlobalLogic** (not finalised as of 30 June);
- **€4.7m** received from **THOM Europe**'s repurchase of convertible bonds from its shareholders;
- **€2.2m** from the sale of Groupe Royer (not finalised as of 30 June 2018);
- approx. **€1.6m** in earn-outs from the sale of **Buy Way** (not yet received as of 30 June);
- **€2.1m** in other divestment proceeds and revenue: sale of the US company **Genex Services**, and other transactions related to **Boats Group**, **Huarong, Manappuram** and **EVRY.**

## 49 portfolio companies

As of 30 June 2018, Altamir's portfolio was valued (IFRS basis) at **€919.9m**, vs €894.6m as of 31 December 2017. It was made up (excl. commitments) of **49 companies** (vs 49 at end-2017), including 40 unlisted (86% of portfolio value) and nine listed (Altran, Albioma, Amplitude, EVRY, Guotai, Huarong, Manappuram, Shriram and Zensar).

As the investment in Expereo had not been finalised as of 30 June 2018, it has not been included in these 49 companies; conversely, Azelis and GlobalLogic and Groupe Royer have been included as their divestment had not been finalised as of 30 June.

During the first half of 2018, Altamir's portfolio companies continued to perform well operationally. As of 30 June 2018, the portfolio average EBITDA, weighted by each company's residual cost, increased by **17%** over the last 12 months, driven by the combined effect of organic growth and acquisitions carried out by certain companies, in particular Marlink, Altran and Sandaya.

The 14 largest investments, representing **80.7%** of the portfolio's total value as of 30 June 2018, are as follows, in decreasing order:

- **Marlink,** a world leader in satellite communication solutions.
  Marlink continued to accelerate the development of higher-margin VSAT services, while the legacy, MSS-technology-based business continued to decline. In H1 2018, Marlink generated positive organic revenue growth thanks to the strong performance of Maritime VSAT and promising performance in the Land division. The double-digit EBITDA growth trend remains in line with that of previous years.

- **INSEEC U.**, largest private higher-education group in France (16 schools).
  INSEEC U. continued on its growth trend. In the 2017/18 financial year (FYE 30 June), INSEEC U. posted a 5% increase in revenue to €217m and a 17% increase in EBITDA, driven by a strong increase in new student enrolment in September/October 2017 and additional cost synergies generated by integrating the new schools acquired in 2016.

- **Snacks Développement**, leader in private-label savoury snacks.
  In the first five months of the 2018/19 financial year (FYE 31 January), the company posted revenue of €115m, up 2.2% compared with the year-earlier period, benefiting from an increasing number of clients and from productivity improvement in the UK, whereas the French market softened. In June, Snacks Développement signed an agreement to acquire Ibersnacks, the leading salted snacks producer in Spain. This second strategic acquisition, fully financed by debt, will give the company total revenue of €360m (2017/18 financial year) and reinforce its European leadership by making it the number one player in three key markets: France, the UK and Spain.

- **Altran**, world leader in engineering and R&D services.
  Altran continued its growth trend in the first quarter of 2018, delivering consolidated revenues of €625.9m, up 6.7% year-on-year (5.3% economic growth). US company Aricent contributed €20.5m ($25.3m) starting on 20 March. For the first six months of the year, the analysts' consensus projects consolidated revenue of €1,364.5m, up 18.5% year-on-year (H1 results will be published on 6 September 2018). A new strategic plan was presented in June. Its principal objectives are to achieve around €4bn in revenue by 2022 (€2.3bn in 2017) and an operating margin of around 14.5% (12.6% in 2017). In July, Altran announced that it had discovered around $10m in forged purchase orders at Aricent, dating to before the acquisition of the company. This caused a significant decline in its share price. Altran's management believes this incident does not affect the strategic rationale for the acquisition. A cost-reduction plan has been implemented to boost Aricent's profitability profile between now and the end of the year.

- **Melita**, leading cable operator in Malta offering converged telecommunications services.
  Melita maintained its growth momentum in H1 2018 by increasing its subscriber base while reducing churn. Revenue and EBITDA rose by 7% and 12%, respectively, during the period. Melita is currently deploying latest-generation fixed and mobile networks to increase its technological and performance edge.

- **THOM Europe**, leading jewellery retailer in Europe (more than 1,000 stores).
  For the first eight months of the 2017/18 financial year (FYE 30 September), THOM Europe posted a 4.5% increase in revenue to €474.6m and a 2.6% increase in EBITDA. This performance was the result of an increase in same-store sales in France, while the integration of Stroili Oro in Italy and Oro Vivo in Germany is still underway. The group continued to expand, opening 33 new stores in Europe, and increasing online sales in France by 39% during the period.

- **CIPRÉS Assurances**, a wholesale broker specialised in supplemental insurance protection for self-employed persons and SMEs.
  One year after the investment, the company is on track with its business plan. In the first six months of the 2018 financial year, the company posted revenue of €30.4m, up 19.8% compared with the year-earlier period, and an increase in EBITDA of the same magnitude. CIPRÉS has completed the acquisition of Axelliance Groupe, a direct and wholesale insurance broker for self-employed people. This acquisition, fully financed with debt, creates a combined entity with €130m in total revenue (2017) and makes CIPRÉS the leading insurance platform for French SMEs.

- **SK FireSafety Group**, leading fire safety specialist in Northern Europe.
SK FireSafety's growth momentum continued in the first half of 2018. Its revenue rose by 10% to €61.4m and its EBITDA was up 14% compared with H1 2017, thanks to the good performance of its recurring business activities across all business units. SK FireSafety has acquired US company Safetech, strengthening its position in the Aero safety equipment market.

- **InfoVista**, leading global provider of network performance software solutions.
US company TEMS, acquired in 2016, has been successfully restructured from a negative EBITDA position to InfoVista's main EBITDA contributor. InfoVista is currently facing challenges on Service Assurance, however, the legacy business encountering adverse market conditions and margin pressures; a specific action plan is being put in place. The full revamping of the sales organisation over the past 12 months, as well as some other senior recruitments (notably in marketing and HR), are expected to have their full positive effect in the next financial year.

- **Albioma**, French electricity producer with expertise in renewable energy.
Favourable availability of thermal installations in France and the contribution of the riders to contracts for the purchase of electricity resulted in a 3% rise in revenue to €202.3m over the first six months of 2018 compared with H1 2017 (+1% excluding the impact of changes in fuel prices) and a 5% rise in EBITDA to €72.0m. The new Galion 2 power plant in Martinique has begun producing electricity and the installation is set to be fully operational by the end of September. The company has confirmed its objectives for all of 2018: EBITDA between €158m and €166m and net profit, group share, between €37m and €42m.

- **Business Integration Partners (Bip),** a consulting firm specialised in strategy, IT and digital transformation services.
Over the first six months of 2018, Bip's performance was significantly in excess of the business plan, with revenue and EBITDA growth of ca. 30% compared with H1 2017, fuelled by a strong recruiting push in Italy and an increase in staff utilisation rates.

- **Alain Afflelou**, one of Europe's leading franchisors of optical products and hearing aids (nearly 1,500 stores)
The company continued to outperform the market, which remained highly competitive. In the first nine months of the 2017/18 financial year (FYE 31 July), sales advanced 1.1% to €275.7m compared with the year-earlier period. Sales grew at a robust pace in France, while Spain suffered from the crisis situation in Catalonia. EBITDA is expected to be stable for the full 2017/18 financial year, compared with the previous year.

- **Amplitude Surgical,** leading French player on the global surgical technology market for lower-limb orthopaedics.
During its 2017/18 financial year (FYE 30 June), Amplitude Surgical maintained sound sales momentum, particularly in France and at its subsidiaries in Australia, Switzerland and the Benelux countries. Sales totalled €100.3m, up 7.5% compared with the previous year and 8.2% like-for-like. The consensus of financial analysts anticipates EBITDA of €16.7m, up 7.7% from the previous year.

- **Sandaya,** a premium outdoor accommodation group in France and Spain, with 17 four- and five-star campsites.
As of 31 May 2018, i.e. for the first seven months of the year (FYE 31 October), the company posted revenue of €34.8m, up 29% compared with the year-earlier period, owing to a 9% increase in business at constant scope (14 campsites) and the acquisition of five campsites at the start of the season. On a pro forma basis including the five sites acquired for the 2018 season, estimated LTM revenue increased 48% to €54.8m and EBITDAR by 59% compared with the June 2017 to May 2018 period.

## Cash and commitments

Including cash in and cash out during the first half, Altamir's net cash position[5] as of 30 June 2018 on a statutory basis was **€-42.2m** (vs €7.3m as of 31 December 2017).

As of 30 June 2018, Altamir had commitments totalling a maximum of **€238.0m[6]**, which will be invested over the next 2-3 years as follows:

- €155.4m in the Apax France IX fund;
- €73.6m in the Apax IX LP fund;
- €6.9m in the Apax France VIII fund;
- €2.0m of residual commitments alongside the Apax France VII fund.

As a reminder, Altamir has the option of adjusting the level of its commitment to the Apax France IX fund to its available cash every six months. Its initial commitment of €306m can thus be reduced down to €226m. For the period from 1 August 2018 to 31 January 2019, the Management Company has decided to exercise its right not to invest, if need be, at the upper limit of its commitment in all investments made by the Apax France IX fund in the second half of 2018, which would be called in the second half of 2019.

To handle timing differences between investments and divestments, Altamir has overdraft lines totalling €60m, available in addition to its net cash position.

In addition, capital calls are made 12 months after the transaction closing for investments made through the Apax France IX fund and, from now on, for those made through the Apax IX LP fund. This gives Altamir visibility of several months on its cash needs.

## Events since 30 June 2018

Apax Partners SAS has signed an agreement with a view to making a new investment in a company whose name cannot be disclosed at this time. Altamir's investment could be in the region of €35m based on the upper limit of its commitment.

Apax Partners LLP has signed an agreement with a view to acquiring UK company **Genius Sports Group**, a global leader in sports data technology, which provides sporting bodies, federations and professional leagues with software solutions for collecting and distributing sports data in real time, as well as services for preventing corruption related to sports betting. Altamir's investment could be in the region of €4.3m.

A follow-on investment of €0.6m was made in the Indian company, **Manappuram Finance.**

**INSEEC U.** has refinanced its debt, returning to investors 46% of their initial investment, representing €19.6m for Altamir.

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[5] Cash on hand less short-term financial debt

[6] This amount does not include the €31.1m invested in Bip (based on the upper limit of Altamir's commitment to Apax France IX), and the €3.2m invested in Healthium MedTech, which have not yet been called.

## 2018 objectives

Altamir experienced a favourable level of activity in the first eight months of the year, having announced five new investments totalling approximately €110m, compared with a full-year 2018 target[7] of 6-7 new investments totalling €100m, and a volume of divestments of around €100m, compared with a full-year 2018 target[7] of at least €150m.

## Public purchase offer

On 20 August, the AMF published the results of Amboise SAS's purchase offer on Altamir. At the close of the offer, Amboise SAS held 61.1% of the shares and voting rights of Altamir. The offer was reopened from 23 August to 7 September and the AMF will publish the definitive result from 12 September.

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| Altamir's first-half 2018 financial report is available on the company's website: [www.altamir.fr](http://www.altamir.fr) |

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## Forthcoming events

8 November 2018, post-trading: NAV as of 30 September 2018

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## About Altamir

Altamir is a listed private equity company (Euronext Paris-B, ticker: LTA) founded in 1995 and with nearly €800m in assets under management. Its objective is to provide shareholders with long term capital appreciation and regular dividends by investing in a diversified portfolio of private equity investments.

Altamir's investment policy is to invest via and with the funds managed by Apax Partners SAS and Apax Partners LLP, two leading private equity firms that take majority or lead positions in buyouts and growth capital transactions and seek ambitious value creation objectives.

In this way, Altamir provides access to a diversified portfolio of fast-growing companies across Apax's sectors of specialisation (TMT, Consumer, Healthcare, Services) and in complementary market segments (mid-sized companies in French-speaking European countries and larger companies across Europe, North America and key emerging markets).

Altamir derives certain tax benefits from its status as an SCR (*"Société de Capital Risque"*). As such, Altamir is exempt from corporate tax and the company's investors may benefit from tax exemptions, subject to specific holding-period and dividend-reinvestment conditions.

[7] barring any major external event

For more information: www.altamir.fr

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