

TCR buys Européenne Food from I&F

Transaction

TCR Capital has bought a majority stake in French food distributor Européenne Food from Industries & Finances Partenaires and Défi Gestion. TCR provided equity through its TCR Capital Partners III fund, which closed on €161m in 2008. IDIA - a Crédit Agricole fund dedicated to agrifood investments - and Synergie Finance also participated in the buyout. Européenne Food's management team also increased its stake in the business.

The auction process was run by corporate finance firm Hawkpoint. Although the sale was opened to all types of buyers, private equity funds made up the bulk of the bidders shortlisted for the second round.

Européenne Food

€50-100m

Location	Paris
Sector	Food retailers & wholesalers
Founded	1980
Turnover	€216m
Vendor	Industries & Finances <i>et al.</i>
Returns	3.2x
Debt ratio	c50%

buyouts

unquote 99

Industries & Finances reaped 3.2x its original investment in Européenne Food, which equates to a 15% IRR.

TCR stated it had been impressed by Européenne Food's ability to anticipate evolutions in the markets it targets. It now aims to support the company's extension in the CHR (cafés, hotels and restaurants) sector across France.

Debt

LCL and Banque Palatine arranged a "moderate" debt package – around 50% leverage – to fund the acquisition. Céréa Mezzanine also provided mezzanine financing, while factor financing was arranged by GE Factor.

Previous funding

Industries & Finances acquired a majority stake in Européenne Food in 2002, alongside Swiss private equity firm Défi Gestion. The investors developed the group through an acquisition strategy, with six bolt-ons performed since 2002.

From 2006 onwards, the company started to target new markets: originally focusing on service stations and vending machines, Européenne Food started distributing its products to large restaurant chains in France such as Flunch and La Brioche Dorée.

Under Industries & Finances' ownership, turnover almost doubled from €120m to €216m.

Company

Founded in 1980, Européenne Food specialises in the distribution of food and drinks through various channels. These include vending machines, wholesalers, self-service and takeaway chains, and cinemas.

The group operates through eight sites across France and posted a €216m turnover for 2010. Européenne Food expects its revenues to reach €250m in 2011.

People

Marc Demicheli, Laurent Catry and Fabien Bernez worked on the deal for TCR Capital. IDIA was represented by Arnaud Pradier and Nicolas Lambert, while Cyril Miller worked on the deal for Synergie Finance.

Emmanuel Harlé, Franck Boulland and Jacques de Bazelaire led the deal for Industries & Finances. Mohammed Diab represented Défi Gestion.

Advisers

Equity – Frich Bouhenic, Laurence Masseran, Benjamin Dahan (*Legal*); Paul Hastings, Guillaume Kellner (*Legal*); PricewaterhouseCoopers, Didier Sidois, Benoit Cambournac (*Financial due diligence*); Landwell, Anne-Valérie Attias-Assouline, Marc-Olivier Roux (*Tax*); Roland Berger, Delphine Mathez, Bernard Malek (*Commercial due diligence*).

Debt – Cabinet Lacourte Balas, Arnaud Burg, Marie Treca (*Legal*).

Mezzanine – De Pardieu Broca Mafféi, Jean-François Pourdieu (*Legal*).

Management – Cabinet Laborde, Jean-Claude Laborde (*Legal*).

Vendors – Hawkpoint, Charles Andrez, Grégoire Le Sourd, Nicolas Kassab (*M&A*); Cabinet Chammas & Marcheteau, Lola Chammas, Antonin Cubertafond (*Legal*); Constantin Associés, Cécile Rémy, Olivier Thomas (*Financial due diligence*); Estin & Co, Jean Estin, Julien Raoust, Laure Claquin (*Commercial due diligence*).