

Scaff' Holding

Acquirer	Recapitalisation
Value	€20m
Sector	Construction materials

TCR Industrial Managers

Exit deal

TCR Industrial Managers has recently completed the €20m recapitalisation of Scaff' Holding. The newco, comprising construction groups Echafaudages and Mills, has subsequently begun repaying its convertible bonds. The existing A and B senior debt tranches will remain the same, yet the repayment schedule for the B tranche senior debt facilities has been altered. The deal has been financed through surplus funds from the Echafaudages and Mills businesses, as well as a C senior debt tranche of €8.5m, which has been arranged by Crédit Lyonnais, alongside Fortis. David Robin of TCR claims that the debt had a lower leveraging than when Fortis arranged the debt package for the institutional investors' buyout of the group in 2002.

Scaff' Holding is based in Colombes, was founded in 1939 and is leader of the French market for construction materials. The business is currently growing at a rate of 5-6% each year and has clients mainly working on industrial programmes. It runs 25 agencies in France and generated a €85m turnover in 2004 with a staff of 570.

Christian Dorléac and David Robin coordinated the investment at TCR Industrial Managers. Didier Bosc, Stéphanie Romano structured the debt package on behalf of Crédit Lyonnais, while Pauline Godillot was representing Fortis Bank. Anne-Marie Lambilliotte is CEO of Scaff' Holding. Previous funding

TCR Industrial Managers, then TCR Europe, led the management buyout of Echafaudages from Groupe Fabricom. The deal was carried out via newco Scaff' Holding, in which TCR took a 52% equity stake. Baring Private Equity France also invested, acquiring a 38% stake in newco, while the management team of the company took a 2% interest. The balance of the equity was held by Synergie Finance, which is part of the Crédit Mutuel de Bretagne. A and B tranches of senior debt, with bullet repayments, were provided by Fortis Bank. While the value of the deal was not disclosed, unconfirmed reports placed it at around €60m (*February 2002, page 36*).

Advisers

Equity - Paul Hastings, Olivier Deren (*Legal*).

Debt - Gide Loyette Nouel, Eric Cartier-Millon, Hassen Chouchan (*Legal*).