

# TCR backs secondary buyout of Locatel

## Investors

TCR Capital, via its fund TCR Capital III, has taken a majority stake in hotel and hospital multimedia systems business Locatel. TCR invested alongside Synergie Finance and 123Venture. The vendor, private equity firm Platina Finance, bought the company out of receivership in February 2004 for a total value of €9m. Close Brothers was mandated to run an auction aimed at financial sponsors. BNP Paribas led a pool of banks, comprising Banco Espirito Santo de la Venetie and HSBC, to underwrite the senior debt, while Electra Private Equity provided the mezzanine facility. The company's market is polarised, with four main players of similar sizes, meaning an unpredictable exit route.

## Company

Nanterre-headquartered Locatel was founded in 1962 and provides hotels and hospitals with interactive guest room systems for TV sets, minibars and safes. The company acquired Danish company 2M Electronic in August 2005 to reinforce its technical capabilities and acquired 20% of German competitor Roombase Networks in May 2004 to increase its geographical coverage. The company has now installed 560,000 rooms in 27 countries, generating a turnover of €26m in 2004, €33m in 2005, and €40m in 2006. Approximately 20% of turnover comes from hospitals. Locatel is planning to introduce new systems capable of carrying VoIP and patients' medical files. The firm, which employs over 200 staff, recently began operating in Norway and Italy, and plans to launch in another large European country soon. Strategic acquisitions are being considered.

## People

Marc Demicheli, Roberta Nataf and Robin Filmer-Wilson led the deal for TCR Capital. Thomas Rottner, Ian Astley and Karim Dhanani negotiated the exit for Platina Finance. Alexis Delb is Locatel's CEO.

## Advisers

**Equity** – Linklaters, Michel Frich, Sébastien Pontillo (Legal); PricewaterhouseCoopers, Didier Sidois, Stéphane Dessigne (*Financial due diligence*); **Advention**, Alban Neveu, Xavier Norcia (*Strategic due diligence*).

**Vendor** – Close Brothers, Philippe Croppi, Jean-Christophe Quiniou, Romain Massiah, Louis Vercken (*Corporate finance*); Ayache Salama & Associés, Bernard Ayache, David Ayache, Magalie Guiard, Alexandre Tron (*Legal*); Deloitte Finance, ARoss James, Tristan Docquet-Chassaing (*Vendor due diligence*).

## Locatel

Deal type	Secondary LBO
Value	n/d
Location	Nanterre
Founded	1962
Sector	Electrical components & equipment
Turnover	€40m
Staff	>200