

A black and white photograph of a grand classical building, likely a government or institutional structure, featuring a prominent portico with tall, fluted columns. The building's facade is detailed with classical architectural elements, including a pediment and decorative moldings. In the foreground, a dark metal fence runs across the bottom of the frame, and the silhouettes of several people are visible behind it. The sky is clear and bright.

# ALANTRA

## The Public Tender Offers Barometer

7<sup>th</sup> edition

2019

January 2020

# Introduction

## Introduction

- The *Public Tender Offers Barometer* is the opportunity for ALANTRA to provide all interested parties (e.g. issuers, shareholders, family offices, investment funds, lawyers, accountants) with quantitative and qualitative elements to better understand public tender offers filed in France
- This seventh edition of the barometer focuses on transactions completed during the full year 2019 (mentioned as “2019”)
- We hope that this initial information will help your thinking with respect to listed companies, refine your planning of transactions. We stand ready to support you in their execution, by sharing with you the full and unique benefit of our teams' years of practical experience



**Olivier Guignon**  
*Managing Partner*



### Experience

**20+** years experience in public M&A  
**40** public tender offers filed  
Before joining **ALANTRA**, Olivier worked for Lazard and Oddo  
Graduated from ESCP Europe and holds a law degree from *Barreau de Paris*



### Recent transactions

**Simplified public tender offer followed by a squeeze-out** initiated by **BGI** on **SABC**

**Simplified public tender offer** initiated by **Dickson** on **Oceasoft**

**Simplified public tender offer followed by a squeeze-out** initiated by **BGI** on **SOBOA**

**Simplified public tender offer** initiated by **Five Arrows** on **Harvest**

**Simplified public tender offer followed by a squeeze-out** initiated by **Sangamo Therapeutics** on **TxCell**

Exemption of public tender offer filling for **LFPI** on **Umanis**

**Public tender offer** initiated by **Coyote** on **Traqueur**

**Public tender offer** initiated by **Jolt** and **Ambrosia** on **Alpha MOS**

**Simplified public tender offer followed by a squeeze-out** initiated by **Finapertel** on **CCA International**

**Simplified public tender offer followed by a squeeze-out** initiated by **3D Systems** on **Phenix Systems**



### Contact

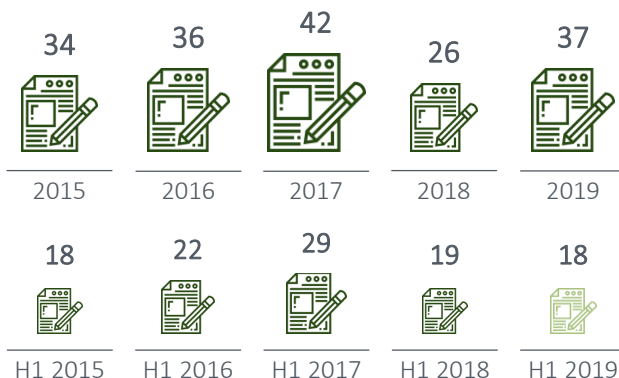
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# 2019 key figures

37 offers announced and/or filed, of which 31 were effectively filed

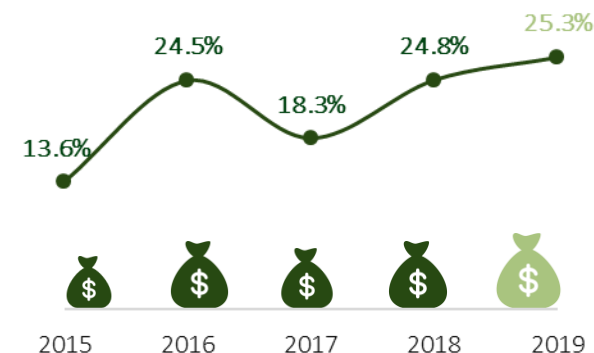
## Number of public tender offers announced and/or filed to the AMF



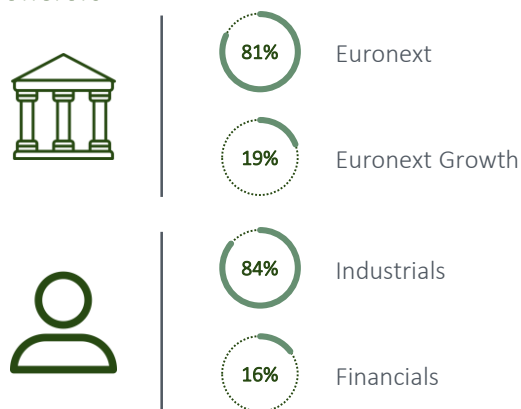
## Types of offers filed in 2019



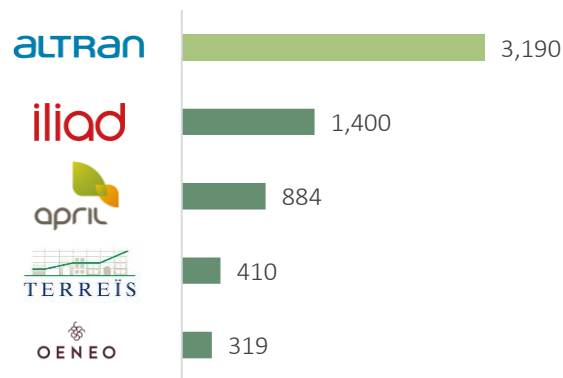
## Median premiums offered on the spot price



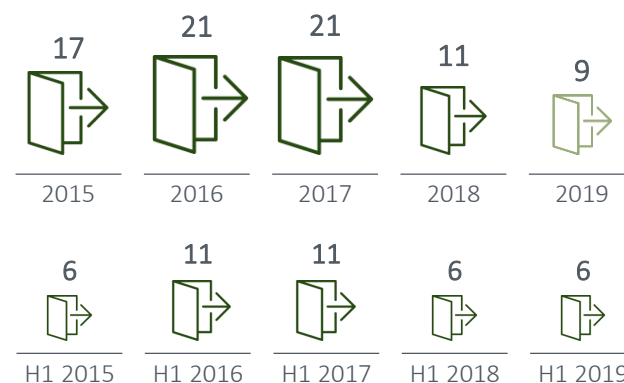
## Stock exchange compartments & types of offerors



## Top 5 most important operations (€m)<sup>1</sup>



## Number of delisted companies following public tender offers



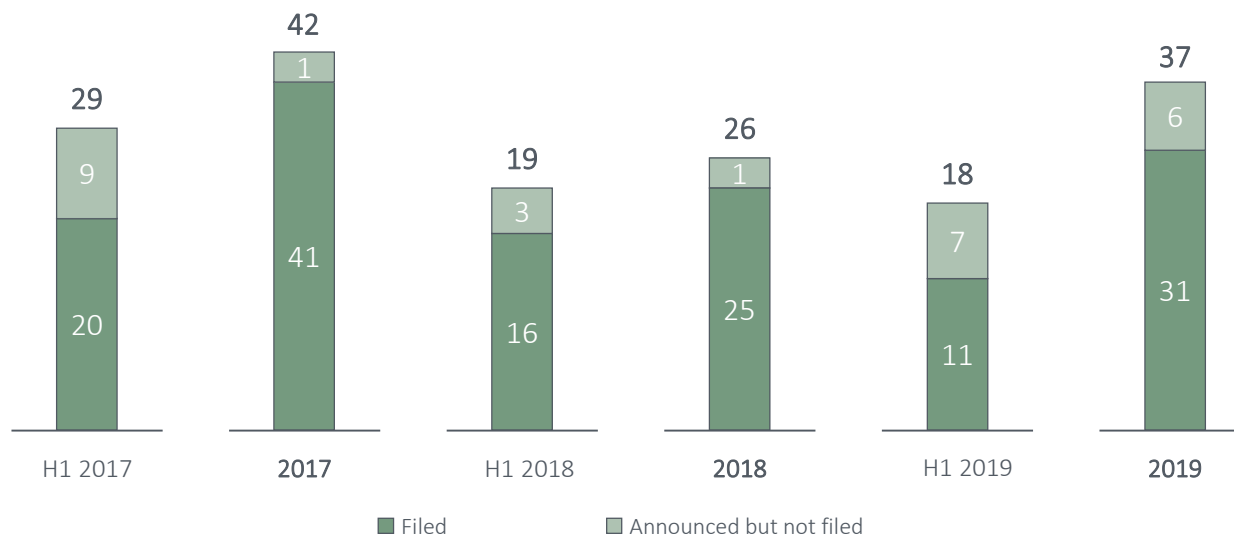


# 2019 review

Appendix

# Volumes of offers

A significant increase in the volume of offers announced and/or filed in 2019

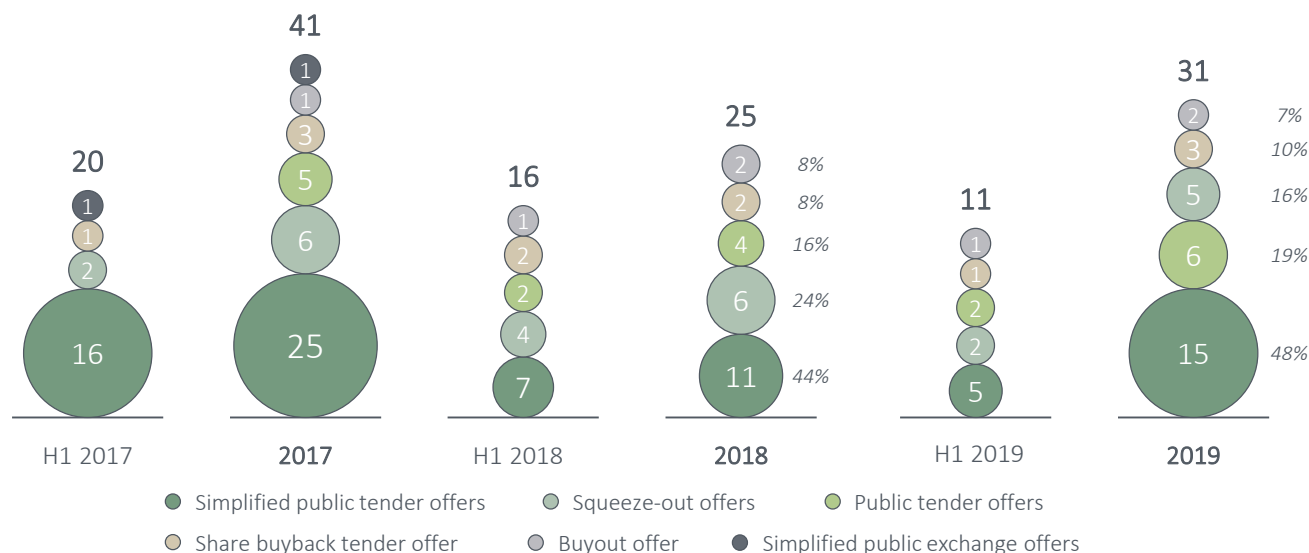


## A significant increase in the volume of offers announced and/or filed in 2019

- The number of offers announced and/or filed to the AMF increases significantly compared to 2018 (37 offers in 2019 vs. 26 offers in 2018, i.e. +42%)
- However, the mix announced/filed offers differed (6 offers announced but not yet filed in 2019 vs. 1 in 2018), highlighting the important numbers of offers announced (11) in late 2019
- **Offers announced but not yet filed to the AMF in 2019:** ASSA Abloy on AGTA Record, Prologue on M2I, Argos Wityu on Société Anonyme d'Explosifs et de Produits Chimiques, Guangdong Wencan Die Casting on Le Bélier, Andromeda Investissements<sup>1</sup> on April, Circus Casino France on Société Française de Casinos
- Note: one additional offer were announced in June 2018 but still have not been filed to the AMF (Krief Group on Fauvet Girel)

# Types of offers filed to the AMF

A stabilization of “closing” offers number in 2019

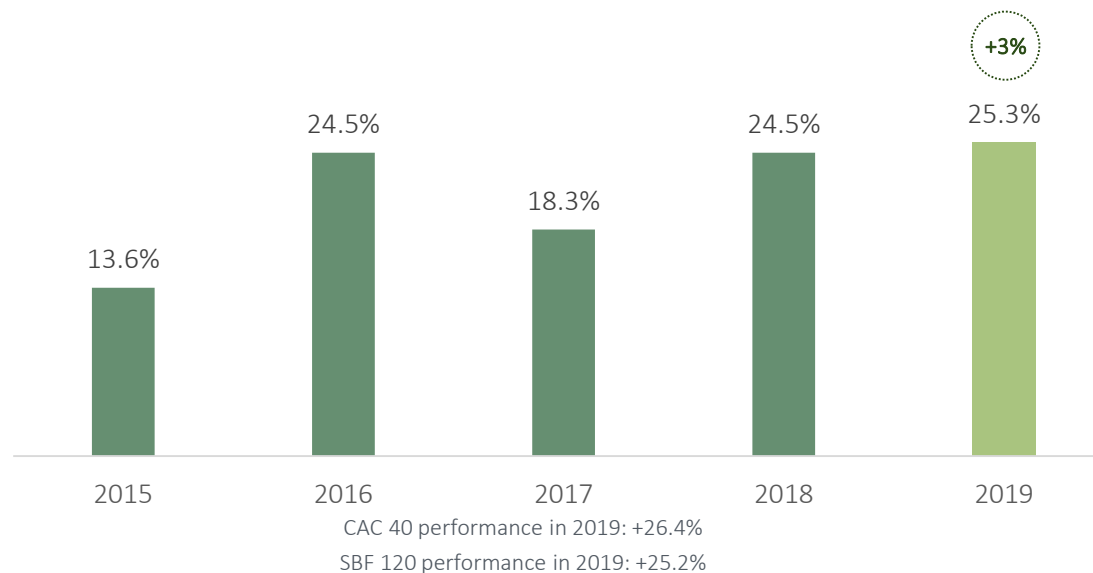


## A stabilization of “closing” offers<sup>1</sup> numbers in 2019

- A stabilization of the high proportion of “closing” offers<sup>1</sup> representing:
  - 71% in 2019 (48% of simplified public tender offers, 16% of squeeze-out offers and 7% of buyout offers) vs.
  - 76% in 2018 (44% of simplified public tender offers, 24% of squeeze-out offers and 8% of buyout offers)
- Simplified public exchange offers<sup>2</sup> remain rarely used by offerors (no offer in 2019 and 2018, 1 offer in 2017), mainly due to their complex execution and maybe their lower attractiveness
  - However it should be noted the public exchange offer announced in September 2019 but not yet filed by Prologue on M2I

# Offer median premiums on last spot price before offer announcement

An increase of offer premiums in 2019

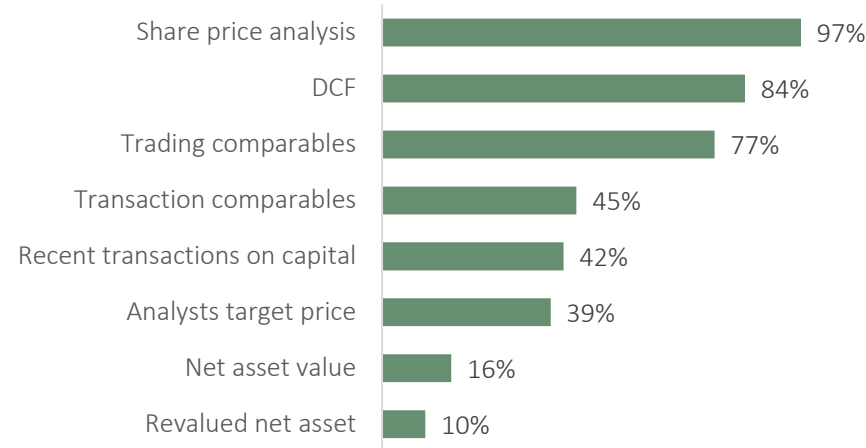


## Offer premiums at a historically high level

- An increase on the offer median premium on the spot price in 2019 of c. +3% to reach a maximum of 25.3% since 2015

# Utilization rate by valuation methods in 2019

A still very important use of share price analysis and DCF



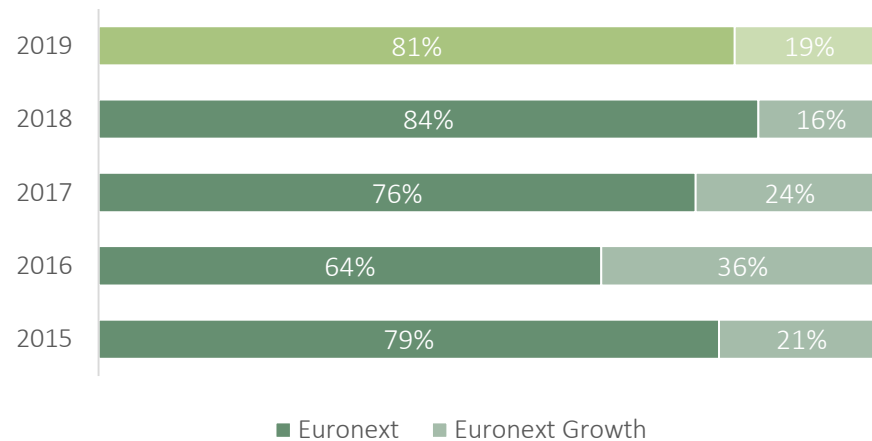
## Share price analysis, DCF and comparables remain the reference methods in a multicriteria valuation approach

- The share price analysis remain the main retained valuation method due to its mandatory nature (the offer price have to be higher than the 60 days VWAP<sup>1</sup>)
- The DCF<sup>2</sup> and comparables (trading and transaction) are also highly used due to their relevance in a valuation approach
- The valuation approach through recent significant transactions on capital of the target company represents a reference method but is often disqualified for lack of recent data points
- As mid-market companies remain poorly covered by financial analysts, this method is most of the time disqualified or only retained for information purposes
- The net asset value and the revalued net asset, corresponding to asset valuation methods, are often used when valuing companies with a strong real estate component (e.g. TERREIS)



# Stock exchange compartments

Slight increase of offers filed on Euronext Growth

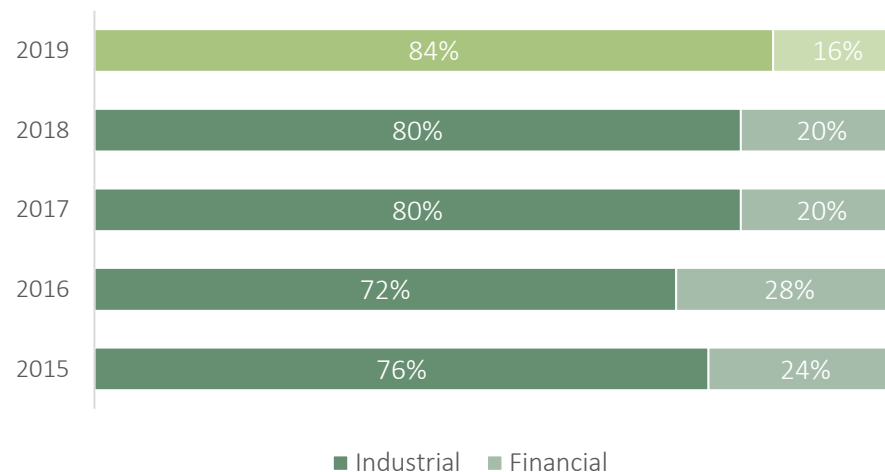


## A slight increase in the proportion of offers filed on Euronext Growth

- After a banner year in 2016 and two declining years in 2017 and 2018, the proportion of offers initiated on Euronext Growth increases slightly in 2019, reaching almost 20% of the offers filed
- Offers filed on Euronext Growth:
  - Cedys & Co on Evolis
  - GTF on Millet Innovation
  - Dickson on Oceansoft
  - Startup Avenue on Weborama
  - Coyote System on Traqueur

# Types of offerors

A slight decrease of offers initiated by financial investors



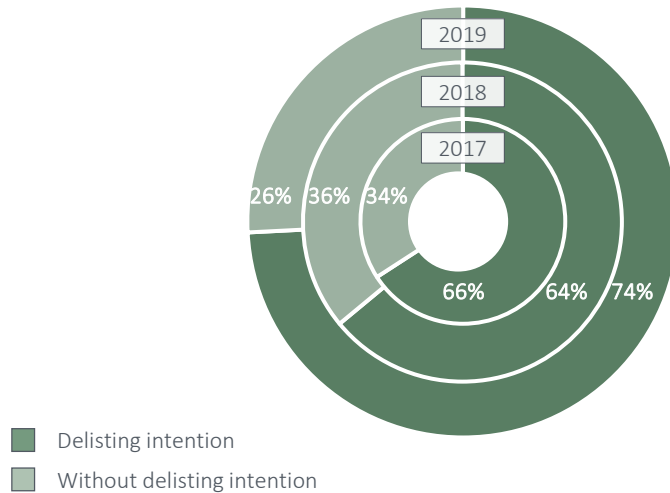
## A slight decrease of offers initiated by financial investors

- Offers initiated by industrial companies remains highly predominant (84% in 2019), the proportion of offers initiated by financial investors decreasing slightly in 2019 to reach 16% (vs. 20% in 2018 and 2017)
- Offers initiated by financial investors:
  - Pixel Holding (HLD<sup>1</sup>) on Tessi
  - Five Arrows Principal Investments on Harvest
  - CVC Capital Partners on April
  - Ovalto<sup>2</sup> on Terreis
  - Searchlight Capital Partners on Latécoère

# Delisting intentions and success rates

Offers with delisting intention increases to reach 3/4 of offers filed in 2019

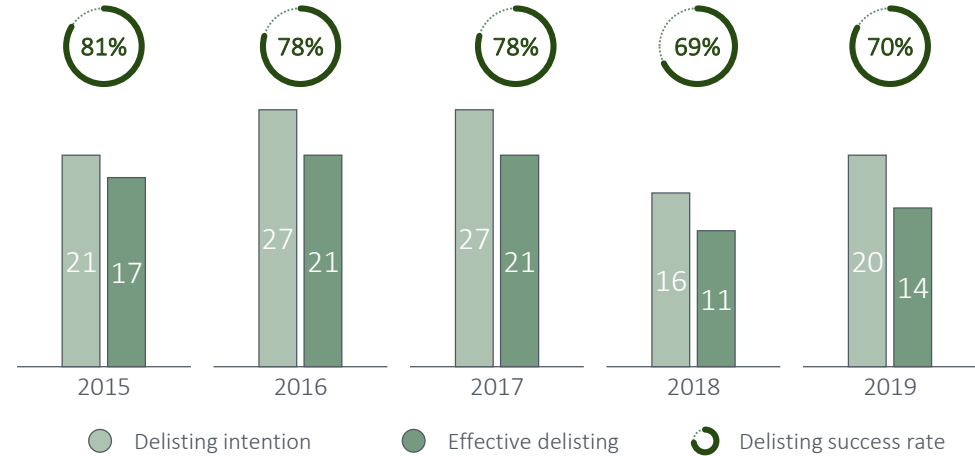
## Proportion of offers with delisting intention



### An increase of the proportion of offers with delisting intention...

- An increase in the number of delisting intentions expressed by public offers initiators, reaching about 3/4 of the offers filed, probably due to the lowering of the squeeze-out trigger threshold to 90%
- The remaining high proportion of offers filed without delisting intention can be explained by:
  - The willingness to take control, without necessarily delisting
  - A desire to reduce/avoid overbidding on the premium for minority shareholders

## Delisting success rates (closed offers)

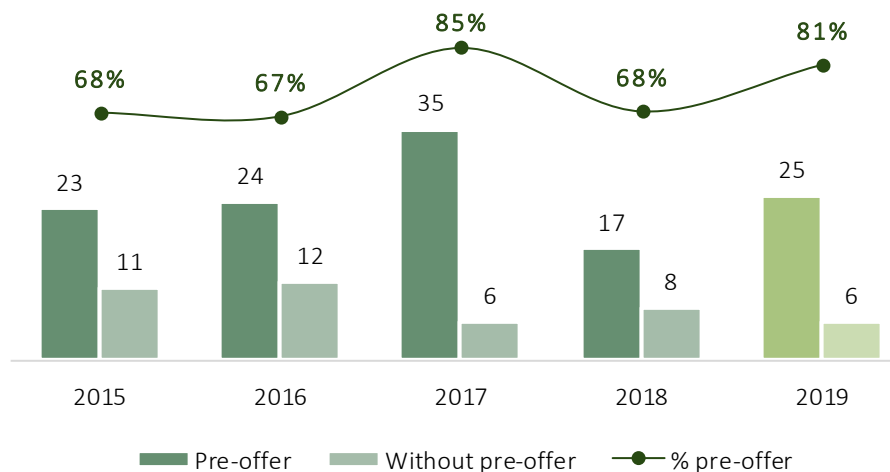


### ...and a stabilization of delisting success rate

- During 2019, 70% of the filed and closed offers (14 out of 20) led to an effective delisting, i.e. a success rate at a level equivalent to 2018 (69%) but slightly lower than in previous years (c. 80% over the period 2015-2017)
- However, this high success rate can be explained in particular by the continuing attractiveness of premiums offered in 2019 (+3% vs. 2018)
- It should be noted that 3 offers filed in 2019 and including delisting intentions are still not closed at the date of this report: Capgemini on Altran, Startup Avenue on Weborama and Caspar on Oeneo

# Use of the pre-offer mechanism

The pre-offer mechanism, increasingly favoured by offerors in 2019



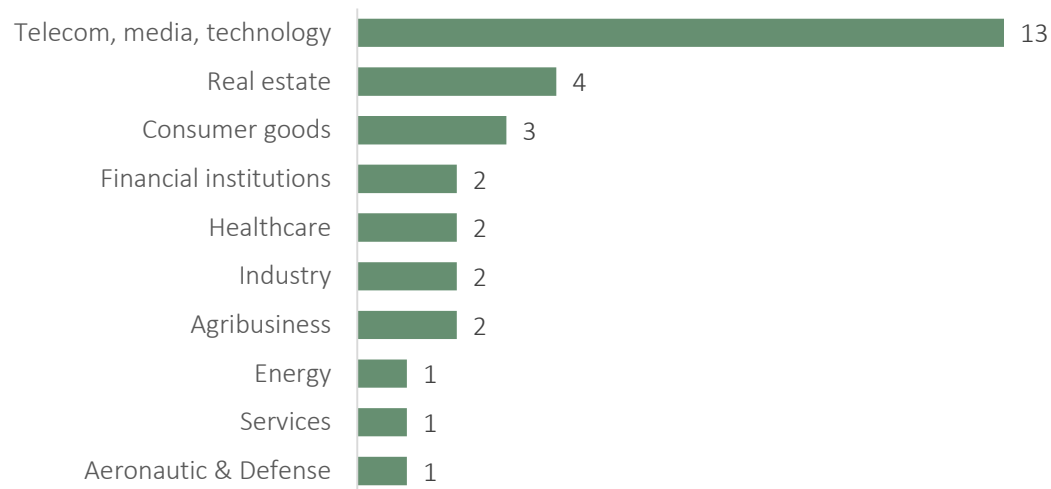
## An increasing use of the pre-offer<sup>1</sup> mechanism

- The use of the pre-offer mechanism increased significantly in 2019, encompassing 81% of the offers filed (vs. 68% in 2018)
- This increase may be linked to the decrease of squeeze-out offers (16% in 2019 vs. 24% in 2018) which usually do not require a pre-offer mechanism as the offeror holds more than 95% (or 90%) of the capital and voting rights before the announcement:
  - Therefore, no conditions precedent (anti-trust, foreign investment, consultation of employee representative bodies) are required which often trigger a pre-offer



# Offers effectively filed by industry in 2019

An important number of offers in the Telecom, Media & Technology (TMT) sector



## An important number of offers in the Telecom, Media & Technology (TMT) sector

- As in 2018 and 2017, TMT remains the most active sector in 2019 with 13 operations (vs. 8 in 2018 and 14 in 2017)
- Offers initiated in TMT sector: Pixel Holding (HLD) on Tessi, Bouygues Telecom on Keyyo, Horizon on Parrot, Publicis on Soft Computing, Five Arrows Principal Investments on Harvest, Technologies SAS on Quotium Technologies, Chapsvision on Coheris, Dickson on Oceansoft, Iliad (share buyback tender offer), FL Finance & Awys on Afone Participations, ITS Participations on ITS Group, Startup Avenue on Weborama and Coyote System on Traqueur



2019 review

# Appendix

# List of 2019 public tender offers

Announce date	Filing date	Target	Offeror	Offer type	Market
31/12/2019	Pending	Société Française de Casinos	Circus Casino France	Public tender offer	Euronext
31/12/2019	Pending	April	Andromeda Investissements (CVC Capital Partners)	Buyout offer	Euronext
09/12/2019	Pending	Le Bélier	Guangdong Wencan Die Casting	Public tender offer	Euronext
15/11/2019	Pending	Société Anonyme d'Explosifs et de Produits Chimiques	Argos Wityu	Simplified public tender offer	Euronext
11/09/2019	Pending	M2I	Prologue	Public exchange offer	Euronext Growth
06/03/2019	Pending	AGTA Record	ASSA Abloy	Public tender offer	Euronext
20/06/2018	Pending	Fauvet Girel	Krief Group	Public tender offer	Euronext
02/10/2019	12/12/2019	Traqueur	Coyote System	Simplified public tender offer	Euronext Growth
10/12/2019	10/12/2019	Oeneo	Caspar	Simplified public tender offer	Euronext
21/11/2019	06/12/2019	Weborama	Startup Avenue	Simplified public tender offer	Euronext Growth
17/10/2019	22/11/2019	ITS Group	ITS Participations	Simplified public tender offer	Euronext
27/09/2019	14/11/2019	Afone Participations	FL Finance & Awys	Squeeze-out offer	Euronext
12/11/2019	12/11/2019	Iliad	Iliad	Share buyback tender offer	Euronext
01/10/2019	05/11/2019	Futuren	EDF Renouvelables, EDF Energies Nouvelles Belgium	Squeeze-out offer	Euronext
12/07/2017	04/11/2019	Financière Marjos	Krief Group	Simplified public tender offer	Euronext
24/09/2019	25/10/2019	Oceasoftware	Dickson	Simplified public tender offer	Euronext Growth
15/10/2019	15/10/2019	SIPH	Compagnie Financière Michelin	Buyout offer	Euronext
06/08/2019	04/10/2019	Groupe Flo	Groupe Bertrand	Simplified public tender offer	Euronext
02/08/2019	30/09/2019	NR21	Altarea	Simplified public tender offer	Euronext
25/06/2019	23/09/2019	Altran	Capgemini	Public tender offer	Euronext
07/06/2019	18/09/2019	Millet Innovation	GTF	Simplified public tender offer	Euronext Growth
28/06/2019	16/09/2019	Latécoère	Searchlight Capital Partners	Public tender offer	Euronext
20/06/2019	03/09/2019	Evolis	Cedys & Co	Simplified public tender offer	Euronext Growth
02/09/2019	02/09/2019	Terreis	Ovalto	Squeeze-out offer	Euronext
20/06/2019	30/08/2019	Supersonic Imagine	Hologic Hub	Public tender offer	Euronext
02/08/2019	02/08/2019	Aurea	Aurea	Share buyback tender offer	Euronext
21/05/2019	18/07/2019	Coheris	Chapsvision	Public tender offer	Euronext

# List of 2019 public tender offers

Announce date	Filing date	Target	Offeror	Offer type	Market
29/12/2018	14/06/2019	April	CVC Capital Partners	Simplified public tender offer	Euronext
12/02/2019	07/06/2019	TERREIS	TERREIS	Share buyback tender offer	Euronext
30/04/2019	06/06/2019	Officiis Properties	Reof Holding	Buyout offer	Euronext
12/02/2019	24/04/2019	Quotium Technologies	Technologies SAS	Squeeze-out offer	Euronext
17/12/2018	15/03/2019	Guy Dregrenne	Vorwerk / Diversita	Squeeze-out offer	Euronext
07/01/2019	05/03/2019	Société des Brasseries de l'Ouest Africain	Société des Brasseries & Glacières Internationales	Simplified public tender offer	Euronext
17/12/2018	28/02/2019	Harvest	Five Arrows Principal Investment + Founders	Simplified public tender offer	Euronext
20/12/2018	07/02/2019	Soft Computing	Publicis Groupe	Simplified public tender offer	Euronext
27/11/2018	29/01/2019	Parrot	Horizon	Public tender offer	Euronext
25/10/2018	21/01/2019	Keyyo	Bouygues Telecom	Public tender offer	Euronext Growth
08/01/2019	08/01/2019	Tessi	Pixel Holding (HLD)	Simplified public tender offer	Euronext



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