

[Article translated from French]

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ATALIAN, the specialist of industrial services, passes the threshold of 10 000 employees

The French company announced on Friday the acquisition of the American provider Aetna Integrated Services.

A small company that became large, very large even! Unknown from the general public, ATALIAN has crossed the bar of a 100 000 employees. The French group now employs almost as much staff as Sanofi, three times more than Alstom and seven times more than Hermès; an imposing army of cleaning agents, gardeners, guards and other small employees.

On its website, the family-run industrial cleaning, technical maintenance etc. company still displays a counter with 95 000 employees on 31st of December 2016. However, with all its latest acquisitions, of which the American Aetna Integrated Services, announced on Friday 9th June, “we have gone beyond this number and we could quickly achieve 120 000 people” approximates Franck Julien, its Chairman.

To better face this new size, the founder’s grand-son has just named a real number 2, Matthieu de Baynast. He was up until now in charge of international development, he has now become COO, a position specially created for the event.

More than 215 acquisitions in the world since 2003

ATALIAN is a wonderful example of the way in which some French service providers, like the conglomerate Sodexo or the catering specialist Elixior, have developed at a fast pace despite slow economic growth in France.

In France, operators are confronted with clients that constantly dictate low prices and lacklustre requests. The security services market has even regressed these last few months, after the peak provoked by the terrorist attacks on 13th of November 2015. At the time all companies were urgently demanding manned guards at their doors.

This period of stagnation is offset by the acquisitions that ATALIAN never ceases to make across the globe. More than 215 in 2003! The latest in date, Aetna; an old family-run company founded in 1936 in Columbus, Ohio, that progressively spread to neighbouring states. It employs 1 100 employees and is specialised in office and factory cleaning in the region and also ensures maintenance of facilities etc. It has an annual turnover of 32 million dollars, equivalent to 29 million euros.

ATALIAN already set foot on the other side of the Atlantic in January 2016 by acquiring Temco, a New-York based company employing 10 000 staff in the world.

A solid base for building a small American empire: “To mean something in the United States, we must increase our turnover from 200 million dollars to 600 million, perhaps even 1 billion”, says Mr Julien. Therefore, we will concentrate our acquisitions in this region. After

Temco and Aetna, 3 other operations are already in the pipeline in Boston, Washington and Florida. Each of these should bring 50 to 100 million dollars in revenue.

In France, ATALIAN is acting as a consolidator

Short of truly competing with ISS, the imposing American and global leader, which employs 500 000 people, ATALIAN hopes to become rapidly visible in the United States. Other purchases are also expected in the months to come in Singapore and in Indonesia, to reach a size considered critical.

In France as well, ATALIAN plays a role of consolidator. The Group has struck an agreement to take over the activities of its ex Dutch partner Facilicom, which was unable to make a profit. The dossier is currently in the hands of the competition authorities. The operation should bring ATALIAN 70 million euros of turnover, bolstering its position of 2nd operator on the French market, behind Onet.

As many transactions intended to give the Group a new status. Created in 1944 under the name Technique de Nettoyage Français (literally French Cleaning Technique or TFN), the company owned by the Julien family prospered for a long time in France by taking on tasks that other company's did not want to do themselves: cleaning offices, guarding factories, maintaining green spaces etc. At present, the aim is to transform this French "*maison*" and world champion. This implies that it must expand and internationalise itself at the same time.

No intention of going to the stock-market

This was one of the promises made to investors in May when the Group decided to raise 625 million euros in bond issues, by taking advantage of the elation following the election of Emmanuel Macron. "These funds must finance our acquisitions over the next three years, with the ambition of bringing the turnover from 2 billion to 3 billion euros" indicates Mr Julien. That is the equivalent to 50% growth in three years! France, which still represents 60% of the activity, will soon see its share reach less than half this amount.

Nevertheless, the Group has no intention of being quoted on the stock-market "We don't need it, since we have no major acquisitions to come" specifies Mr Julien, who owns 100% of the capital and counts on remaining the master at home, like his father and grand-father.