

**[Article translated from French]**

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**Article written by Antoine Boudet**

### **Atalian changes dimension with the acquisition of British company SERVEST**

The French champion of outsourced services to companies enters the world's top 5 Facility Management companies. With Servest valued at more than 600 million euros, the group will cross the 3 billion euros turnover threshold in 2018.

This is a big step in the group's conquest of the world of outsourced services (cleaning, security, front of house, technical maintenance, etc.), which Atalian accomplished by closing the acquisition of the British entity of South African group SERVEST. The transaction revealed a month ago by the letter "Capital Finance" (Group Les Echos), has just been completed for an amount of 612 million euros.

It has been financed, says Franck JULIEN, the chairman of the board of this family-run group, by two fundraisings on the market, 350 million Euros (at a rate of 5.125%) and 225 million Euros, respectively (in pounds at a rate of 6.625%), and by the entry of Servest's management into the capital of the holding company, La Financière Atalian, up to 5% for 37 million euros.

#### **Franco-British group**

For the boss of this family business, founded by his grandfather in 1944 and of which he retains 95% of the capital, "this merger to form a Franco-British group gives Atalian, after France and emerging countries, a third pillar in the United Kingdom, to which we can add the United States, and helps us enter the world's top 5 Facility Management companies", which include Cushman, JLL, CBRE and ISS.

The leaders of the two companies know each other well, having formed a joint venture in 2016 in order to respond jointly to calls for tender.

Kenton Fine, founder of Servest's UK operations, thus becomes Vice Chairman of the new Atalian Servest group, and Rob Legge is appointed President of Atalian Servest UK and USA. Lastly, Matthieu de Baynast, who until now was Atalian's Chief Executive Officer, takes on the role of CEO of Atalian Servest, which should weigh more than 3 billion euros pro-forma in 2018, of which around 2.2 billion euros for Atalian and some 800 million for Servest.

#### **One step ahead**

Benefitting from the organic growth that this merger will generate, (Servest has double-digit growth rates and Atalian close to 5%) and from synergies in terms of tactical acquisitions that the French group will continue to leverage in order to strengthen its positions here and there (it is present in 33 countries and most often rated in the Top 5 of its sector), the Group's net debt to Ebitda ratio should be reduced from almost 5 to less than 4.5 within the next 24 months, says Franck Julien.

But for the leader of the group, one of the most important elements of this operation is the 28.8% investment that Servest has made in the capital of Getronics, a global ICT specialist company, primarily detained by the investment company Bottega InvestCo, owned by the American-Brazilian businessman Nana Baffour. Atalian Servest and Getronics will form a joint venture in which all the ICT and digital activities of the service group will be combined.

What is more, "Getronics is committed to not develop its products for our competitors, which gives us a good head start in the sector, with solutions that we will own," says Franck JULIEN. Indeed, for the leader of Atalian Servest, "the real break in our business will come from the rationalisation and optimisation of work processes through digital tools. Frank JULIEN illustrates his point with a concrete example: "Why clean an office if we have information that it has not been occupied since our last intervention?" The challenge will be to tailor service provision to the real needs of customers in order to gain flexibility and responsiveness.