

Moustache Bikes raises impact loan to power growth

LBO France has helped Moustache Bikes to arrange an impact loan to support its rapid growth, a first for the Mid Cap team of the fund.

Since it was founded in 2011, Moustache Bikes has rapidly become the leader of the premium electric bikes French market. The company now employs over 140 people and doubled revenue over the last two years to €100 million in 2020. Development has mirrored the rising sales of its bikes in France and abroad: 50,000 units were sold in 2020. This trend was driven by the expansion of soft mobilities, as well as the use of e-bikes for leisure and for short work trips, trend that has been intensified by the Covid crisis.

In this context, Moustache Bikes, alongside LBO France, has decided to adapt its financing structure, by implementing an additional €41.5 million tranche of senior debt and increasing the size of its revolving credit line. The extra debt was subscribed for by a number of impact lending and private debt funds (Eiffel, Amundi, Scor, Schelcher), and by the company's long-standing banks (Palatine, Banque Populaire, Crédit Lyonnais, CIC and Crédit Agricole).

This is the first impact loan that LBO France has implemented for one of its private equity mid cap investments; a type of financing it had already resorted to in 2018 for its real estate business, when it acquired the Network I building in Bagneux through a "green loan", certified by the Climate Bond Initiative. The aim is to combine customary financial criteria with a set of ESG (Environmental, Social and Governance) objectives that, if met, reduce the cost of debt. In keeping with its location in the Vosges and its sustainable business model, Moustache Bikes has defined two ambitious objectives: the number of annual hires and the training rate of its teams.

Louis de Lummen, Investment Director Mid Cap at LBO France, said: *"We are pleased to continue supporting Moustache Bikes as it develops and to incorporate ESG criteria into this portfolio company. This forms part of a long-term approach at LBO France. With its sustainable model, Moustache Bikes seemed an obvious choice for this first impact loan, a strategy we plan on expanding in the future."*

Grégory Sand, Co-founder of Moustache Bikes: *"We are delighted to have this impact loan which will allow us to support Moustache Bikes' growth, in accordance with our values and ambitions. The lenders' renewed confidence in our project is another step forward in our development."*

Main participants in the transaction:

LBO France: Louis de Lummen, Charles Béal

Coordinating bank: Palatine (Etienne Pirard, Alexis Nef)

Corporate lawyers: Mayer Brown (Maud Bischoff - finance), Shearman (Thomas Philippe - corporate)

Bank lawyers: Simmons & Simmons (Aurélien Jugand)

Financial Due Diligence: EY (François Estin)

About LBO France:

As a key player in private equity with €6.2bn of commitments, LBO France is an independent company that has been supporting French and Italian companies in their growth for more than 30 years. Its investment strategy is built on 4 distinct segments managed by dedicated teams: (i) Mid Cap Buyout through the White Knight funds and Small Cap Buyout through the Hexagone/Small Caps Opportunities funds, (ii) Venture Capital through the SISA/Digital Health funds, (iii) Real Estate through the White Stone and Lapillus funds, and *Proptech* through its NewStone fund, (iv) Debt. Historically focused on Institutional and Family Office investors, LBO France has recently launched the FCPR White Caps Selection, a private equity fund accessible to individuals through multi-strategy funds. LBO France is 100% owned by its management and employs nearly 60 professionals.

Find out more: www.lbofrance.com

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