

Groupe RG refinances with an impact loan to support future growth

LBO France has helped Groupe RG to arrange a new impact loan to support its strong growth and refinance existing Mezzanine debt.

Founded in 1987, headquartered in Saint Priest and led by Pierre Manchini (CEO), Groupe RG is the French leading specialized distributor of Personal Protective Equipment (PPE). The group distributes a wide range of products (c. 40,000 references) covering 6 main protection fields: Head, Hand, Foot, Body, Breathing, and Hygiene & Safety in the working environment. The group is also successfully selling products under its own brand, Ergos, and addresses a large customer base encompassing large corporations, SMEs from the industry and service sectors, as well as public sector entities.

In this context, Groupe RG, alongside LBO France, has decided to adapt its financing structure, by implementing a new €128 million all senior debt as well as a revolving credit line, to support future growth and refinance existing Mezzanine debt. The new debt was subscribed for by several impact lending and private debt funds (Eiffel, Amundi, Schelcher Prince, Lyxor and CIC PD), and by the company's long-standing banks (Crédit Lyonnais, Palatine, Crédit Agricole, Banque Populaire and BNP).

Since LBO France became the shareholder of Groupe RG in September 2017, the group has grown significantly while spreading its breadth of product and service offering (Category III PPE against deadly risks, over the counter sales) while continuously enlarging its customer base in France and Europe, with large national accounts gained through tenders. The group has also conducted an active external growth strategy with 9 build-ups since 2018, especially in Spain and Italy, where Groupe RG is now the leading player.

This is the second impact loan that LBO France has implemented in its private equity mid cap portfolio after Moustache Bikes' refinancing in January 2021. 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.

Pierre Manchini, CEO of Groupe RG: *"This new loan will allow Groupe RG to continue its organic growth and develop its European footprint. Groupe RG remains fully committed and determined to pursue its development. LBO France has been a faithful ally that has understood the DNA of the group and supported the project. Our customers' satisfaction remains paramount. This new step will allow us to prepare the future and to reinforce our PPE service and expertise in France and Europe. Our customers' confidence is key, we want to constantly earn it. Protect Women and Men at work is our commitment!"*

Simon Couturier, Investment Director Mid Cap at LBO France: *"I'm thrilled to have worked along Groupe RG on this refinancing and the implementation of this new impact loan. It will support further development, both organically and through external growth, while emphasizing and leveraging the numerous ESG initiatives launched by the group in its markets."*

Main participants in the transaction:

Groupe RG: Pierre Manchini

LBO France: Simon Couturier

Coordinating banks: LCL (Alexandre Cosson, Edouard Bourbon), Palatine (Hervé Rinjonneau, Alexis Nef)

Corporate lawyers: Mayer Brown (Maud Bischoff, Emily Pennec)

Bank lawyers: De Pardieu Brocas Maffei (Christophe Gaillard)

Financial Due Diligence: Deloitte (Frédérique Lévêque-Chenevoy)

Commercial Due Diligence: L.E.K. Consulting (Serge Hovsepian, Maxime Julian, Stéphane Claquin)

About LBO France:

As a key player in private equity with €6.3bn 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 5 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 and (v) Public Equity. Historically focused on Institutional and Family Office investors, LBO France has 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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