

Press release
Paris and Floirac, September 23rd, 2021

LBO France announces the acquisition of a majority stake in Baobag, a leading European player in the distribution of FIBC (“Flexible Intermediate Bulk Containers”)

LBO France, through its Small Caps Opportunities II fund, has acquired a majority stake in the French company Baobag, alongside BNP Paribas Développement, AfricInvest and the management team – the latter led by Fabrice Saffré, to increase the company's position in its markets.

Baobag originated from the merger of Sacherie du Midi and Framapack in 2007. The company is a pure distributor of Flexible Intermediate Bulk Containers (“FIBC”), commonly known as *big bags*. The company operates throughout the value chain, including design, sourcing, transportation and storage. Through the development of tenured and exclusive relationships with trusted manufacturing partners around the world and the intricate knowledge of customer requirements across a wide range of end-markets, Baobag has grown into the leading player in the French FIBC market and has successfully penetrated the Moroccan and Spanish markets through organic growth. Since inception, Baobag has exhibited robust growth, outperforming underlying market, and has reached over €50m in revenue.

The M&A advisory firm Financière Monceau had been selected by the company’s historical shareholders – iXO Private Equity and Bpifrance – to lead the sell-side process, which exclusively targeted investment funds bidding for majority stakes.

LBO France’s investment allows for the exit of iXO Private Equity and Bpifrance, who acquired a majority stake in the Company in 2016 to support the managerial transition and to initiate internationalization efforts. Baobag’s management team, led by Fabrice Saffré, significantly re-invest in this secondary LBO round, which also includes an investment on behalf of BNP Paribas Développement and AfricInvest. All aforementioned parties are fully aligned on the growth levers that will drive value creation: acceleration of expansion into Africa (which features the strongest market growth prospects), external growth in select European countries and further market share gains on the domestic market. The shared objective is to create a pan-European leader, spearheading the substitution of bulk transport and storage by *big bags* in Africa.

Jean-Marie Leroy, Partner and Head of Small Cap at LBO France, comments, *“We are fully convinced of the robustness of Baobag’s positioning, evidenced by its leading market position in France, a highly diversified end-market exposure and a tenured customer base. Growth prospects are exciting, namely the acceleration of expansion in Africa, where big bag penetration rates show the most whitespace, and the consolidation of the European market. The track record of Fabrice Saffré and his team at the head of Baobag speaks for itself, and they will have LBO France’s full support as they carry out these growth projects.”*

Fabrice Saffré, CEO of Baobag, adds, *“After 5 years of international growth, highlighted by the opening of subsidiaries in Morocco and in Spain, it was key for Baobag to be able to rely on high-profile partners in order to further our expansion, especially in Africa, all the while maintaining our independence and core values. In this critical stage of our development, our growth trajectory will be supported by LBO France’s expertise, specifically via the input of their team dedicated to operational performance.”*

About Baobag

Since 1974, Baobag has been designing, importing and distributing flexible packaging solutions to companies operating in the industrial, agricultural, environmental and construction end-markets, as well as to specialized distributors. The group has established itself as one of the European leaders in the supply of big bags, in particular by providing its customers with a customized reference that meets their specifications. As such, research and development are an integral part of Baobag's DNA. Many of their bags have become industry standards and are used as references in various sectors (food processing, waste treatment, etc.). Finally, Baobag and its manufacturing partners respect stringent commitments in terms of sustainable development, labour rights and ethical business relationships, with frequent factory visits, in complete transparency with the company's clients.

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, Lapillus and NewStone funds, (iv) Debt and (v) Public Equity through the France Développement fund. Historically focused on Institutional and Family Office investors, LBO France has launched 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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About AfricInvest and the French-African Funds

Founded in 1994 in Tunisia, the AfricInvest Group is a leader in Private Equity in Africa. With nearly 2 billion euros under management, AfricInvest has to date made more than 170 investments in nearly 30 countries in Africa - and in France - and relies on a team of 90 employees of 19 different nationalities operating from its 10 offices (Abidjan, Algiers, Cairo, Casablanca, Lagos, Nairobi, Paris, Saint Louis, Tunis and Washington).

Launched in January 2017, the French-African Funds are managed by the dedicated Paris team of AfricInvest Europe, the French subsidiary of the AfricInvest Group approved by the AMF. They target minority equity investments between 3 million euros and 6 million euros in French SMEs with a development project in Africa, existing or to be developed, whose turnover ranges from 20 million euros to 300 million euros.

The French-African Funds allow French SMEs to develop rapidly on the African continent, with the support of the entire AfricInvest network. They bring together a round table made up of French public institutions and large private groups, institutional investors and French and African family offices. Since inception, the French-African Funds have invested in 11 French companies.

About iXO Private Equity

Founded in 2003, iXO Private Equity is the leading independent regional private-equity player in France. With assets under management of more than € 750 million, the management company mainly invests in growth capital and transmissions operations. iXO Private Equity invests from € 2 to € 30 million in SMEs based in the Great South of France. Strongly anchored in the heart of these territories, its stable team is made up of 22 people, including 16 investment professionals with complementary skills and experience, among which 4 investment partners dedicated to the different regions covered by iXO Private Equity: Olivier Athanase (Nouvelle Aquitaine), Nicolas Charleux (Provence-Alpes-Côtes d'Azur), Jean-Luc Rivière (Occitanie) and Alexandre Sagon (Auvergne-Rhône Alpes).

Find out more: www.ixope.fr

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Key participants

- Acquirors:
 - LBO France: Jean-Marie Leroy, Philippe Karmin, Arthur Balland, Charles Béal
 - AfricInvest: Stéphane Colin, Khaled Benjennet
 - BNP Paribas: Christophe Plaud
- LBO France legal counsel: Jeantet – Philippe Matignon, Pascal Georges, Camille Perodeau, Vianney Birot, Calixte Glotin
- Managers: Fabrice Saffré, Hélène de Sa, Eric Nerin
- Managers' legal counsel: Altair – Pierre Gramage
- Sellers:
 - IXO Private Equity – Olivier Athanase, Hasnaa Hafid, Marie-Laure Joubard
 - BPI France – Romain Fourcade
- Selling shareholders' legal counsel: Ernst & Young Avocats – Faustine Carrière, Sophie Alex-Lyoudi, Maureen Perchicot
- Sell-side M&A advisor: Financière Monceau CF – Jacques-Henri Rieme, Arthur Libier, Stanislas Reinhart
- Financial VDD: Oderis – Hugo Primas
- Senior debt: LCL – Ivan Piqueras, Christophe Perigois
- Senior debt legal counsel: Volt Associés – Florian Guillon
- Legal due-diligence: Jeantet
- Financial due-diligence: Alvarez & Marsal – Jonathan Gibbons, Samih Hajar
- Commercial due-diligence: Strategia Partners – Jean Berg, Manon Clément