

Press Release



Paprec : a new financial round to reach 5 billion in sales

As part of its 5th round of financing, the French leader in recycling welcomes a new reference shareholder, Vauban Infrastructure Partners, a French management company with a European footprint specializing in equity infrastructure investments. The Crédit Agricole Group also becomes a shareholder, joining Paprec's long-standing French shareholders: Bpifrance, BNPP and Arkea. The shareholders' objective is to provide long-term support to the family - still the majority shareholder - and to reinforce the group's proactive growth policy.

Paris, 9th March 2022,

Founded in 1994, Paprec has just passed the €2.2 billion mark in sales in 2021 and should exceed €2.5 billion by the end of 2022 with 12,500 employees. "We aim to double this turnover in the next ten years to reach five billion euros and 30,000 employees," reveals Jean-Luc Petithuguenin, the company's founding president. *"To achieve this, we have just completed a fifth round of financing, enabling us to rely on financial partners ready to support us over the long term"*.

Vauban Infrastructure Partners (acting through investment funds under management) and the Crédit Agricole Group are thus entering the capital of the French leader in recycling. They join Bpifrance, BNPP and Arkea, three major French banks, to support Paprec and the family in its growth ambitions.

With this new round of financing, 326 million euros of capital increases will have been completed over the 2021 and 2022 fiscal years, bringing the group's equity to over 800 million euros.

Investment funds managed by Vauban Infrastructure Partners thus become the second shareholder of the Paprec Group. Gwenola Chambon, Managing Director and founding partner of Vauban, said: *"We are particularly pleased to become shareholders of the Paprec Group alongside the Petithuguenin family and leading financial shareholders such as Bpifrance, and to contribute from now on to the long-term development of this emblematic company of the circular economy. Paprec masters, through its know-how and its portfolio of waste sorting, treatment and recovery assets, all the components needed to provide this essential service to communities."*

On this occasion, Société Générale and Crédit Mutuel sold their shares. *"I would like to thank these two banks for their support since 2012,"* says Jean-Luc Petithuguenin. *"They have participated in our success and will continue to finance us in the future as lending bankers."*

The founder of Paprec thanks all his shareholders for their loyalty. Some of them, such as Bpifrance, Arkea and BNPP, have been with the company for over a decade. He emphasizes that Bpifrance has helped create the French leader in recycling, number three in waste management and energy recovery, by enabling it to grow from 750 million to 2.2 billion in sales in twelve years, from 3,500 to 12,500 employees and to make more than one billion euros in industrial investments in its plants in France over this period.

"I would like to thank Bpifrance and Arkea for their exemplary action at my side in transforming Paprec into a magnificent group that is a leader in its businesses, which are so important for the planet and for France," says the Founder, who continues, *"I would also like to take this opportunity to thank in particular my sons Sébastien and Mathieu, my financial director Charles-Antoine Blanc, who played a decisive role in this success, and our vice-president, Jean-Pierre Denis, who supported me in carrying out this operation. I would also like to mention and thank the two advisors who have been accompanying and supporting me for 20 years: Frédéric Cazals, partner at Weil, and Rudy Cohen Scali, partner at E&Y - this adventure is also theirs!"*

José Gonzalo, Executive Director of Bpifrance's Development Capital division, said: *"We are proud to have been supporting the Paprec group for ten years. Over this period, the group has gone from being a fast-growing ETI to a large company that has become a fully integrated and central player in waste management in France, a sector that is essential to the sustainable development that is dear to Bpifrance, Banque du Climat. We are convinced of the group's great potential to continue this formidable expansion trajectory and are delighted to continue to give our full support to Jean-Luc Petithuguenin and his sons for this new stage in the group's development."*

The Petithuguenin family, supported by Arkea, the partner chosen by the family for the controlling holding company, remains the majority shareholder and guarantor of the long-term strategy desired by the family. *"Paprec's success is proof that it is possible to build a company that participates in the decarbonization of the economy and the preservation of natural resources over the long term,"* emphasizes Jean-Luc Petithuguenin. *"This long-term vision is the prerogative of large family-owned companies. I would like to thank these major financial shareholders who are supporting us in this transformation and in our success: they are wonderful!"*

This new round of financing is part of a long-term vision and aims to support the period of transmission to the new generation. *"Indeed, my objective is to hand over the company completely to two of my sons within the next five years,"* explains Jean-Luc Petithuguenin. Sébastien Petithuguenin, 44, is currently Managing Director. He has been with Paprec for 20 years. Mathieu Petithuguenin, 37, is Deputy Managing Director and has been with the recycling

leader for ten years. It is this project that seduced For Talents Transmission (managed by Matthieu Leclercq, former president of Décathlon), which also completes the round table.

"Our financial partners are real players in the group's development strategy. Over the past two decades, they have demonstrated their involvement and confidence in times of growth as well as in more difficult times. I am very pleased with their commitment and the arrival of the Vauban infrastructure fund, which confirms the strategic importance of our businesses in meeting the industrial and climate challenges of this century," comments Sébastien Petithuguenin.

"We are at an important turning point for Paprec, and this fifth round of financing is also intended to accelerate our international expansion, particularly in the United Kingdom, Poland and Spain," reveals Mathieu Petithuguenin.

"I am confident about the future of this company that I had the honor to found. I know that we can rely on a very solid management team, a team of exceptional financiers led by Charles-Antoine Blanc, our Chief Financial Officer, and Jean-Pierre Denis, our Vice President, as well as a network of 400 plant managers who are at the highest level of expertise in our profession, but also at the highest level of interpersonal skills for a group whose values of ecology, fraternity and secularism are not only in its DNA but also at the heart of its success," concludes Jean-Luc Petithuguenin.

A little history :

- 1994 : Creation of Paprec
- 2000 : 1st round of financing : Petithuguenin Family, Claude Solarz, Press Paper Group, Crédit Agricole, Société Générale
- 2005 : 2nd round of financing : Petithuguenin Family, Claude Solarz, Press Paper Group, Banexi, Caisse des Dépôts, Demeter, Banque Populaire
- 2007 : 3rd round of financing : Petithuguenin Family, Claude Solarz, Press Paper Group, Groupe Bernard Arnault, Rothschild, Quilvest
- 2012 : 4th round of financing : Petithuguenin Family, Arkea, Claude Solarz, Bpifrance, Arkea, SG, BNPP, CMCIC
- 2022 : 5th round of financing : Petithuguenin Family, Arkea, Bpifrance, Vauban, FT Transmission, BNPP, Crédit Agricole

Advisors for this transaction :

- Paprec Financial Advisor : Lazard (Isabelle Xoual, Thomas Picard)
- Petithuguenin Family Financial Advisor : EY (Rudy Cohen-Scali, Olivier Catonnet)
- Paprec Legal Counsel : Weil (Frédéric Cazals, Adrien Coulaud)
- VDD Finance : EY (Gilles Marchadier, Marion Lassus-Pigat)
- VDD Strategy : Roland Berger (Baptiste Maissonnier)
- Vauban Financial Consulting : Centerview (Nicolas Constant, Matthieu Sommier)
- Vauban Legal Counsel : Linklaters (Bruno Derieux, Nicolas Le Guillou)
- Vauban Finance BDD : Accuracy (François Dunoyer de Ségonzac, Stéphane Perrotto),
- Vauban Strategic BDD : BCG (Emmanuel Austruy, Emmanuel Nazarenko)
- BPI Legal Counsel : BDGS (Antoine Bonnasse)
- Arkea Legal Counsel : Essensis Avocats (Cyrille Boillot)
- Idia Legal Counsel– Crédit Agricole Group : Gide (Alexis Pailleret)

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About Paprec Group:

The group was founded and has been led since its creation by Jean-Luc Petithuguenin. As the French leader in recycling, Paprec is now the number three French company in global waste management and energy recovery. In 25 years, it has grown from 45 to 12,500 employees at more than 280 sites in eight countries. Its 2021 turnover will reach 2.2 billion euros.

Paprec Group has been known and recognized since its creation for its commitment to diversity, secularism and the fight against all forms of discrimination in the workplace. Jean-Luc Petithuguenin has also been chosen twice for the Entrepreneur of the Year award, by Ernst and Young and by BFM Business. The editors of Usine Nouvelle voted him Industrialist of the Year in 2020.

About VAUBAN INFRASTRUCTURE PARTNERS :

Vauban Infrastructure Partners is a leading Infrastructure Asset Manager focused on the European core infrastructure investments. Headquartered in Paris, it employs 57 professionals who have been working together for a decade. Vauban is the fully fledged affiliate of Natixis Investment Managers, dedicated to sustainable infrastructure equity investments. Vauban targets predominantly European brownfield midmarket assets pursuing a long-term yield-driven strategy matching the underlying nature of assets and long-term commitment to all stakeholders' interests through a strong focus on creating sustainable value. Vauban has raised c. €6.5 billion across 5 funds in core infrastructure from over 70 investors within 15 different countries and has invested in over 65 assets in mobility, energy transition, social & digital infrastructure across 11 different geographies. <https://vauban-ip.com/>