



Guillaume Basquin (left) with 3i's head of French private equity, Remi Carnimolla, who also worked on the deal

## THE CV

Guillaume Basquin has been a director in 3i's French private equity team, and has been with the firm since 2006. He joined Societe Generale in New York as a credit analyst in 2003, before joining PwC's Paris-based transaction services team in 2005. He is a graduate of French school ENSAM, and has a master's degree in finance from business school ESCP.

## Recent deals

- Sale of Labco in 2015 - enterprise value €1.2bn
- Sale of WFCI in 2015 - enterprise value €130m
- Sale of Loxam 2016 - value undisclosed

# NATURAL EXPANSION

Developing global and digital brands through M&A is a big part of 3i's strategy for French healthcare company Ponroy Santé, says director **Guillaume Basquin**

## WHAT WAS THE DEAL?

In January 2017 we invested €180m in Ponroy Santé Group, alongside our co-investor Cathay Capital and incoming executive chairman, Philippe Charrier, making 3i the main shareholder. Nantes-based Ponroy manufactures natural food supplements and natural personal care products, which it sells through a multi-distribution channel strategy. Charrier, who was CEO of Labco, was key to us winning the deal thanks to his experience. Previously, he was CEO of Oenobiol, which was sold to Sanofi-Aventis in 2009, and before that he was CEO of Procter & Gamble in France.

## THE TIMESCALES?

We first met the Ponroy family in 2003. We maintained contact with them over subsequent years, thanks to our strong local network in France. We proposed an ambitious growth plan, continuing what the family had built. We were able to be six months ahead of our competitors and win the deal in a competitive auction. Overall, it took almost a year from our initial approach to the deal closing.

## THE ADVISERS?

The Ponroy family's legal advisers were Winston & Strawn. We took M&A advice from Natixis Partners and legal advice from Weil, Gotshal & Manges. Financial

due diligence was carried out by PwC, and commercial due diligence by OC&C.

## THE CHALLENGES?

The key challenges we identified were to transition Ponroy from a family-owned business to a PE-backed business; change the governance structure, incentivise management, and enhance the monthly business data and reporting used by management to provide what we needed to grow the business. At the core of our thinking was strategy to develop Ponroy's global and digital brands, which has required significant marketing spend. The family wanted to fully utilise the capability of the Nantes factory they'd invested in. To them, brand was simply an enabler. To us, it is where the strategic value lies.

## YOUR STRATEGY?

We wanted the right platform in this industry, and we looked at several before investing in Ponroy. Pre-deal, we carried out a substantial screening process of potential acquisitions and we have closed French acquisitions

since our initial investment. In November 2017, Ponroy acquired Aragan, a designer and distributor of premium pharmaceutical food supplements in pharmacies. Its CEO, Nicolas Brodetsky, is a very energetic young entrepreneur with vision, who we wanted to bring into the business - he is now deputy MD and runs the pharmacy division at Ponroy. In July 2018, Densmore was acquired. There are many more M&A opportunities in Europe.

## AND AN EXIT PLAN?

In Ponroy, we have invested in a company that has a strong tailwind. There are so many options for us in the medium- to long-term. Trade buyers are currently aggressively acquiring natural food supplement and cosmetics businesses. There is also huge appetite in large-cap buy-out firms. It is a resilient and profitable sector. The market is consolidating, giving us merger opportunities. While we have no definitive view on exit at moment, there are many options, including 3i continuing the journey. ●