



# SMAC

## Leading French provider of building envelope and waterproofing products and solutions.

- At acquisition, SMAC was a leading provider of waterproofing and building envelope solutions with two divisions; Travaux (works) and Industrie (manufacturing)
- SMAC Travaux (80% of sales) specializes in waterproofing (mainly on flat roofs) and façade (e.g. building envelope) projects (split 60/40 between new build and renovation). SMAC Travaux mainly operates within France (93%) across customers including large construction providers, industrial companies and public and private customers
- SMAC Industrie (20% of sales) specializes in the manufacturing of bituminous membranes, skylights and resins. SMAC Industrie has a broader international reach (66% of revenue within France / 34% international). Customers are distributors and construction companies
- SMAC was a division of Colas SA, a subsidiary of Bouygues SA



Acquired:  
May 20, 2019

Transaction Type:  
Corporate Carve-out

Acquired from:  
Colas

Industry:  
Building Products

Headquarters:  
Issy-Les-Moulineaux, France

Source:  
Competitive Auction Process

Status:  
Exited

Realized:  
April 25, 2024

## TRANSACTION HIGHLIGHTS

OpenGate sourced this opportunity through its continuous dialogue with the investment bank (Rothschild) and Colas.

Despite the Industrie division(s) attracting significant strategic interest during the process, Colas preferred to sell it alongside the Travaux division in one bundle deal. To provide the Seller's need for speed, certainty, and simplicity, OpenGate proposed a structured deal with minimal equity value at entry and an earn-out based on the proceeds of the sale of the Industrie division (with a commitment to divest shortly after closing) – ensuring a win-win outcome for all parties.

### Investment Merits

OpenGate believed SMAC was a compelling investment opportunity based upon the investment merits well aligned with the Fund's investment strategy, including:

- **Under performance** relative to peers
- **Attractive entry price**
- Significant **operational upside**
- **Proven and motivated management team**
- Equity de-risking options thanks to the early **disposal of SMAC Industrie** divisions as well as ownership of **valuable real estate** (some vacant)
- Fragmented market with **room for consolidation potential**

### Value Creation

- **Carve-out Completion:** Separated SMAC Travaux and SMAC Industrie from Colas – with both entities operated independently thereafter
- **MAC Industrie Divestment:** Divested the three SMAC Industrie divisions (membranes, skylights and resins) separately within two years post close
- **SMAC Travaux Turnaround and Strategic Roadmap:** Completed turnaround of SMAC Travaux from breakeven EBITDA to €32+ M (IFRS 16) thanks to:
  - Multiple operational initiatives including implementing a new ERP, improving operating standards / works execution, optimizing procurement, reducing working capital, etc.
  - Topline growth through both organic (market growth, commercial focus on more resilient and profitable renovation / maintenance segments) and inorganic levers (1 add-on closed in January 2024)

### Exit

- March 2021: Axter (membranes business) was sold to IKO
- April 2021: Skydôme (skylights business) was sold to Kingspan
- January 2022: Résipoly (resins business) was sold to MAPEI
- April 2024: Travaux (installation business) was sold to Compagnie Financière Jousset and the SMAC management team