

Press Release



Paprec: a new ambitious round of financing to reach 5 billion in turnover

In its 5th round of financing, France's leading recycling company welcomed a new reference shareholder, Vauban Infrastructure Partners, a French management company with a European footprint, which specialises in equity infrastructure investments. The Crédit Agricole group also became a shareholder and joined Paprec's long-standing French shareholders: Bpifrance, BNPP and Arkea. The shareholder's goal is to support the family - still the majority shareholder - over the long term and consolidate the group's proactive growth policy.

Paris, 09 March 2022,

Established in 1994, Paprec generated over 2.2 billion euros in turnover in 2021 and is on course to exceed 2.5 billion euros by the end of 2022, with 12,500 employees. *"We plan on doubling this turnover over the next ten years to reach five billion euros and 30,000 employees"*, outlined the Chairman and Founder, Jean-Luc Petithuguenin. *"To do this, we have carried out a 5th round of financing enabling us to rely on French partners ready to support us over the long term."*

Vauban and the Crédit Agricole group have joined the capital of France's leading recycling company. 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, there has been a capital increase of 326 million euros over the 2021 and 2022 financial years, bringing the group's equity to over 800 million euros.

Vauban has now become Paprec's second largest shareholder. Gwenola Chambon, Managing Director and founding partner of Vauban declared: *"We are particularly pleased to become a shareholder in Groupe Paprec, alongside the Petithuguenin family and leading financial shareholders such as Bpifrance, and to contribute to the development of this emblematic circular-economy company over the long term. Through its expertise and its portfolio of waste sorting, treatment and waste recovery assets, Paprec manages all the components required to provide this essential service to communities."*

At this time, Société Générale and Crédit Mutuel have left the company's capital. *"I would like to thank both these banks for their support since 2012"*, added Jean-Luc Petithuguenin. *"They have contributed to our success and will continue to finance us in the future as lending banks."*

Paprec's founder thanked all shareholders for their loyalty. Some, like Bpifrance, Arkea and BNPP have supported the company for over a decade. He pointed out that Bpifrance enabled the creation of France's leading recycling company, the third largest waste management and energy recovery company, enabling it to increase its turnover from 750 million euros to 2.2 billion in twelve years, going from 3500 to 12;500 employees and generating over one billion euros of industrial investment in its French plants over this period.

"I would like to offer my sincere thanks to Bpifrance and Arkea for their exemplary support to transform Paprec into a fantastic company, leading the way in its sectors that are crucial for the planet and for France", explained the Founder, adding that *"I would also now like to thank my sons Sébastien and Mathieu, my Chief Financial Officer Charles-Antoine Blanc, who has played a key role in this success and Jean-Pierre Denis, our Vice Chairman, who has supported me in this operation. I would also like to mention and thank the two advisers who have supported and assisted me for the past 20 years: Frédéric Cazals, a partner at Weil, and Rudy Cohen Scali, a partner at E&Y - they are also part of this adventure!"*

José Gonzalo, Executive Director of Capital Development at Bpifrance, stated: *"We are proud to have supported the Paprec group over the last 10 years. Over this period, the group has grown from a medium-sized company with strong growth, to a Large Company, becoming a fully integrated and key player in waste management in France, a sector that is essential to sustainable development at Bpifrance, a Bank for the Climate. We are convinced of the strong potential of the group to continue this impressive expansion and are delighted to continue offering our full support to Jean-Luc Petithuguenin and his sons in the next stage of 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 decided by the family. *"Paprec's success proves that it's possible to develop a company over time, which takes part in decarbonising the economy and preserving natural resources"*, Jean-Luc Petithuguenin pointed out. *This long-term vision is the prerogative of family companies. I would like to thank these major French shareholders for supporting us in this transformation and in our success: they are fantastic!"*

This new round of financing is a long-term strategy and is intended to support the period of passing the company on to the next generation. *"Indeed, I intend to pass the reins to two of my sons in the next five years"*, pointed out Jean-Luc Petithuguenin. Sébastien Petithuguenin, 44, is currently the Managing Director. He has been at Paprec for 20 years. Mathieu Petithuguenin, 37, is Vice Managing Director and has been working at France's leading recycling company for ten years. It's this project that won over For Talents Transmission (managed by Matthieu Leclercq, former Chairman of Decathlon), that completes this round of financing.

“Our financial partners are stakeholders in the group’s development strategy. Over the past two decades, they have demonstrated their involvement and confidence both in times of growth and during more difficult periods. I am delighted with their commitment and the arrival of the Vauban infrastructure fund, which confirms the strategic importance of our business in response to the industrial and climate challenges of this century”, commented Sébastien Petithuguenin.

“We are at an important turning point for Paprec, and this 5th round of financing will also enable us to accelerate our international expansion, in particular in the United Kingdom, Poland and Spain”, revealed Mathieu Petithuguenin.

“I am confident in the future of this company that I had the honour of founding. I know that we can rely on a solid management team, an exceptional finance team led by Charles-Antoine Blanc, the Chief Financial Officer and Jean-Pierre Denis, our Vice Chairman as well as a network of 400 plant managers who are at the cutting edge of expertise in our profession, but who also demonstrate the highest level of interpersonal skills for a group whose values of environmentalism, fraternity and secularism are not only part of its DNA, but central to its success”, concluded Jean-Luc Petithuguenin.

A little bit of history:

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

Advisers for this operation:

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

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About the Paprec Group:

The group was founded by Jean-Luc Petithuguenin and has been managed by him since its creation. France's leading recycling company, Paprec is the third largest comprehensive waste management and energy recovery company. In 25 years, the group has grown from 45 employees to 12,500, spread over more than 280 sites in eight countries. Turnover reached 2.2 billion euros in 2021.

Since its creation, the Paprec Group has been known and acknowledged for its commitment to multi-racialism, secularism and the fight against all forms of discrimination within the group. Furthermore, Jean-Luc Petithuguenin has twice been selected for the Businessman of the year award, by Ernst and Young and by BFM Business. The journalists of L'Usine Nouvelle voted him Industry Manager of the year in 2020.

About VAUBAN INFRASTRUCTURE PARTNERS

Vauban Infrastructure Partners is a leading infrastructure asset management company, specialising in investments in European Core infrastructure assets. Based in Paris, with a subsidiary in Luxembourg, it has a team of 57 professionals who have been working together for over a decade. Vauban IP is affiliated with Natixis Investment Managers, dedicated to sustainable capital investments. Vauban Infrastructure Partners' strategy is based on investments in European brownfield and greenfield assets, bringing long-term profitability in line with their underlying nature, and on sustainable value creation in the interest of all stakeholders. To date, Vauban Infrastructure Partners manages 6.5 billion euros, mainly in 5 core infrastructure funds on behalf of over 70 investors in 15 different countries, and has invested in over 65 assets in the mobility, energy services, social and digital infrastructure sectors in 11 different countries. <https://vauban-ip.com/>