

Sarrey, July 22, 2019



Chesneau invests the means for a development strategy with UI Gestion and Demeter

Chesneau, a specialist in the manufacture of aircraft engine parts, is embarking on a new stage of development alongside UI Gestion and Demeter. As a shareholder since 2011, UI Gestion renews its commitment to the company and partners with Demeter through the Fonds Européen des Matériaux (F.E.M - European Materials Fund) to provide the management team the means to pursue its growth projects.

Unique know-how and engine of growth

As a recognized partner of aeronautical manufacturers, Chesneau has developed an almost unique expertise on the adjustment (profile, mass or dimension) of critical parts with complex geometry, requiring uncommon manual skills. Driven by the increase in orders in a fast-growing aeronautical market, the Group of 75 employees based in Sarrey (Haute-Marne) is expected to reach a turnover of more than €10m this year.

Since the arrival of UI Gestion in 2011, Frédéric Chesneau and his teams have strengthened the organization and made numerous investments. The quality, responsiveness and reliability of the service provided by Chesneau enabled to become an essential partner of Safran Aircraft Engines. Indeed, Safran wanted to entrust the Group with the adjustment of a part of his new-generation engine's blades. These blades are the result of the complex assembly of a titanium leading edge and a carbon part from RTM 3D composite technology, which perfectly illustrate Chesneau's unique know-how in high-precision fitting.

Chesneau 2023 : a new development strategy

y capitalizing on this relationship of trust with SAE, the company is embarking on a new growth phase, which includes:

- A process optimization approach;
- The diversification of provided services and the implementation of "Maintenance, Repair and Overhaul" services for engine parts (MRO);
- the development of a complementary offer based on the Group's Portugal-based subsidiary.

This organic growth strategy may enable Chesneau to rapidly reach critical size and engage in an external growth strategy with its shareholders.

The ramp-up of a new team

Confident in these growth perspectives and in the ability of Frédéric Chesneau and his teams to address new market opportunities, UI Gestion decided to reinvest new capital and partner with a new shareholder: the Fonds Européen de Matériaux, managed by DEMETER (a major player in European private equity recognized for its industrial expertise).

This investment enables UI Gestion - which has two regional offices in the Great East - to keep on supporting a local champion which takes part of job creation and preserve know-how on the territory of Haute Marne.

This operation also allows the management team to pursue its gradual increase in capital and start a managerial transition, with David Rémongin's appointment as chief executive.

"It is now an honor to have brought a real industrial and financial dimension to the Chesneau Group and obtained the recognition of the world leader in civil and military aeronautical motorization in less than 20 years. The support of two major investors (UI management and Demeter) and our financial partners (Crédit Agricole and the Caisse d'Epargne) will now allow us to consider the future with ambition and serenity.

*I am happy to be able to pass on a real challenge to a management team where all the conditions are met to pursue this beautiful adventure», states **Frédéric Chesneau***

"We have been working on this managerial transition with Frédéric Chesneau for several years and it is with great pleasure that I take over today.

Our activity is based on people: it is our team's experience and know-how that enable us to face future markets in good conditions.

*These development areas will require an increase in skills for the whole site with the integration of new processes and a diversification of our activities and services, while guaranteeing the transmission of skills to our young employees. I believe in teamwork and I am confident in the ability of our employees to collectively commit to tackling these new challenges", adds **David Rémongin**.*

Stakeholders involved in the operation

Investors : UI Gestion (Arnaud Grandclerc, Elisa Le Tallec), Demeter (Guillaume Laffineur)

Banks : Caisse d'Epargne Grand Est Europe (Mireille Maury, Cédric Renaud), Crédit Agricole de Champagne-Bourgogne (François-Xavier Chopineaux)

Legal advice : HPML (Thomas Hermetet, Virginie Florance), FIDAL (Olivier Halley, Stéphanie Klein), FILEAS (Jérôme Deliry)

Due diligences : CYLAD (Sébastien Cailliau), Grant Thornton (Frédéric Ripaud, Alain Couty, Nicolas Saint Lot), HPML (Thomas Hermetet, Thomas Dubourg), Filhet Allard (Benoit Costet)

About UI Gestion (www.uigestion.com)

As a management company approved by the AMF, UI has been a historical player in private equity for 50 years. Independent since 2004 and implanted in regions since 2010 (Paris, Nantes, Rennes, Reims, Strasbourg and Lille), UI Gestion invests in the real economy with the ambition of transforming companies to create sustainable value.

Specializing in the development of SMEs, UI Gestion supports growing companies, especially their managers in the implementation of growth projects and operations of Private Equity transactions and capital development. With the UI Academy, managers benefit from complementary tools to strengthen their project's strategic and its operational implementation

Over the past 15 years, UI Gestion has raised more than €1m and supported more than 130 companies, for a value creation of more than €620m. Around three investment platforms (regional, national, sectoral), UI Gestion is currently managing more than €650m in France, on behalf of leading institutional investors, entrepreneurs and Family Offices, among the most demanding in terms of performance and transparency.

At the Grand Est scale, the teams based in Reims and Strasbourg manage 4 investment vehicles. Three of them allow UI Gestion to support Chesneau on this operation:

- **Cap EST:** launched in 2015 and managing €21 million, this FPCI aims to invest nearby, in the Grand Est and in Burgundy-Franche-Comté in significant minority or majority.
- **IRPAC Développement:** active for 35 years, this regional investment capital structure is the leader in Champagne Ardenne on small-cap.
- **Haute Marne Fonds Propres:** born from the association between the GIP Haute Marne and IRPAC Développement, Haute Marne Fonds Propres is a SAS whose objective is to strengthen and expand regional private equity scope operations in Haute-Marne.

About DEMETER (www.demeter-im.com)

Demeter is an independent management company specializing in the management of private equity funds dedicated to the environment (water, waste, air, soil) and energy transition sectors (renewable energy, energy efficiency, clean transport). Demeter manages €1bn around 3 divisions covering the entire value chain of private equity: Innovation (start-ups financing), Growth Capital (SMEs & Midcaps financing) and Infrastructure (projects financing). Demeter has already invested in more than 130 companies and infrastructure projects in the environment and energy transition sectors.

Demeter also has a strong European presence through its offices in France (Paris – Grenoble – Metz), Spain (Madrid) and Germany (Munster), but also through its partnerships with Cycle Capital investment funds in Canada and eCapital in Germany, giving the company a real international dimension.

The Fonds Européen de Matériaux (European Materials Fund) is an investment fund in innovation capital and development capital, active in France and Benelux. With an investment capacity of between €0.5 and €2.5m per operation, the EGF is a fund of entrepreneurs for entrepreneurs in the industrial, materials and process sectors.

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