

Merger project between Solucom and Kurt Salmon's European business (excluding retail and consumer goods consulting)

Solucom announces that it has entered exclusive negotiations with Management Consulting Group PLC with a view to acquiring most of the European activities of its subsidiary Kurt Salmon.

The scope of acquisition in question, hereinafter referred to as "the target business", comprises Kurt Salmon France, Switzerland, Belgium, Luxembourg and Morocco as well as the Financial Services and CIO Advisory practices of Kurt Salmon in the United States. The consumer goods and retail consulting activities outside of France, notably Kurt Salmon UK and Germany, would not be included in the deal.

Kurt Salmon, a key consulting firm in Europe

A key management consulting firm in Europe, Kurt Salmon advises its clients on major transformation issues, ranging from their strategic scoping to the delivery of results.

The companies included in the target scope have developed strong sector-specific skills in numerous business areas and, more specifically, in the Finance, Industry, Transport and Public sectors. This target business also boasts cutting-edge functional expertise, notably by way of its CFO and CIO Advisory practices.

With a combined staff of 750 employees, the target business generated 2014 revenues of around €120m and a pro-forma operational margin of approximately 8%.

Looking to create a new leading consultancy with cutting-edge expertise in digital transformation

This project is perfectly in line with the strategic guidelines set out in Solucom's Up 2020 strategic plan.

By joining forces, Solucom and the Kurt Salmon's target business would be looking to become a key player in the consulting market.

The new entity would provide a range of sector-specific, functional and technological expertise perfectly in tune with client expectations in the digital era.

According to PAC / CXP Group, with revenues of circa €300m, the firm would not only become a major player in Europe but also one of the Top 3 consulting firms in France.

Terms of the acquisition

The deal would involve the purchase of a 100% capital stake in all of the companies included in the target business.

The executives and partners of Kurt Salmon's target business would join the Solucom executive and partner team to head up the new entity.

The acquisition price would be based on an enterprise value equivalent to 0.8 times revenues, to be paid exclusively in cash on completion of the sale and financed, for the most part, through a banking facility.

The consultation of the works councils has started. Once they have issued an opinion, ongoing negotiations could rapidly lead to a definitive agreement. This agreement would remain conditional upon receiving clearance from the French anti-trust authority, the absence of any material adverse change, and the approval of Management Consulting Group shareholders given at a General Meeting.

About Solucom

Founded in 1990, Solucom is a consulting firm whose mission is to guide and champion major enterprise transformations. Solucom's approach is founded upon the belief that the key to successful enterprise transformation lies in the ability to simultaneously master business, organisational and technological challenges.

Solucom's clients rank among the top 200 major companies and local authorities. To serve its clients' needs, Solucom has access to a network with the collective skills of more than 1,500 employees in France, the United Kingdom, Belgium, Switzerland, Morocco.



Solucom is listed on Euronext Paris and integrated in the Tech40 index. In addition, the group is also eligible to benefit from the PEA-PME share-savings plan, was awarded the "Innovative Company" status by the French public investment bank, BPIFrance, and the "Great Place To Work®" status for 2015.

Solucom

Pascal IMBERT
Chairman of the Management Board
Tel: +33 1 49 03 20 00
Sarah LAMIGEON
Director of communications
Tel: +33 1 49 03 20 00

Actus Finance

Mathieu OMNES
Investor/financial analyst relations
Tel: +33 1 53 67 36 92
Nicolas BOUCHEZ
Press relations
Tel: +33 1 53 67 36 74