

Solucom and Kurt Salmon's European business (excluding retail & consumer goods consulting) finalise their merger

Giving birth to new leader in the consultancy sector

Solucom finalised the acquisition, announced on 23 November 2015, of Kurt Salmon's European activities (excluding the Retail & Consumer Goods consulting business) from Management Consulting Group PLC.

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, are not included in the deal.

A new leader in the consultancy sector with cutting-edge expertise in digital transformation

A key management consulting firm in Europe, Kurt Salmon advises its clients on major transformation issues, ranging from strategic scoping to implementation monitoring.

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

This merger 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 are looking to create a key player in the consulting market.

The new entity offers 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 around €300m, the firm will not only be a major player in Europe but also one of the Top 3 consulting firms in France.

Terms of the operation

Having received clearance from the French anti-trust authority, and approval of Management Consulting Group PLC shareholders given at a General Meeting, the acquisition went ahead in accordance with the conditions laid down in the merger project.

The deal involves the purchase by Solucom of a 100% capital stake in all of the companies included in the target business. The operation will have no social impact on the employees of the Solucom parent company employees or the target business.

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

The acquisition price is based on an enterprise value equivalent to 0.8 times revenues. The acquisition will be paid for exclusively in cash on completion of the sale and financed, for the most part, via a banking facility obtained under market conditions, a part of which in the form of a bullet payment.

Within the context of the transaction, Management Consulting Group PLC has granted Solucom a liability guarantee to cover all common issues for up to €15m.

Management Consulting Group PLC also agreed to a non-compete clause prohibiting it, for a period of three years following the operation, from carrying out any activity that might compete with the activities of the Kurt Salmon businesses acquired in the regional markets concerned by the deal.

The target business will be consolidated in Solucom's financial statements as of 1 January 2016.

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 corporate transformation lies in the ability to simultaneously master business, organisational and technological challenges.

Solucom's clients rank among the top 200 companies and local authorities in France. To serve its clients' needs, Solucom has access to a network with the collective skills of more than 1,600 employees in France, the United Kingdom, Belgium, Switzerland and Morocco.



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

Solucom

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

Financial news

Mathieu OMNES
Analyst & investor relations
Tel.: +33 1 53 67 36 92
Nicolas BOUCHEZ
Press relations
Tel.: +33 1 53 67 36 74