

The roll-up strategy

A true value catalyst



Investment team



François Durvyé, *CEO, Otium*



François is Otium's CEO, managing the investment teams and steering the holding company's strategy. François has 15 years of experience in the energy sector and in strategy consulting. He began his career at the oil services company Schlumberger, where he held various management roles before becoming the group's Chief Economist. He later joined BCG in Paris as Principal in the Energy and Private Equity practices. Most recently, he served as Director of Strategy and M&A at the Hager Group. François graduated from Ecole Polytechnique and is an engineer of the Corps des Mines.



Basile Paul-Petit, *Partner, Otium Partners*



Basile is a Partner at Otium Partners. With 7 years of experience as a consultant in Transaction Services at Eight Advisory and in M&A at Alantra, Basile went on to lead the external growth strategies of Danone and later Colisée. During this time, he executed numerous acquisitions, divestitures, and financing operations, while driving integration processes and operational performance improvements. Basile holds a master's degree in finance (Master 225) from Université Paris Dauphine.



Maxime de Varine-Bohan, *Principal, Otium Partners*



Maxime is a Principal at Otium Partners. He began his career at Skylar as an Equity Analyst before joining its M&A team. He then spent 5 years investing across various sectors at Labryère Développement & Industries and Founders Future. Prior to joining Otium, Maxime was Investor at Famille C Participations, the family office of the Courtin-Clarins family. Maxime is a graduate from the EPF Engineering School and holds a master's degree in finance (Master 104) from Université Paris Dauphine.



Alexis Delannoy, *Principal, Otium Partners*



Alexis is a Principal at Otium Partners. He began his career by spending 3 years in M&A at Morgan Stanley in London, specializing in the technology sector. He then spent 4 years in growth equity investing, first joining SoftBank's Vision Fund, then as a founding member of the Chiltern Street Capital fund, and finally at Binance on the corporate side. Prior to joining Otium, Alexis was Vice-President at Torch Partners in London, specializing in mid-cap Tech. Alexis is a graduate of HEC Paris and the Stockholm School of Economics (Master CEMS).

Expertise team



Eric Massou
Financing



Cyril Debèze
Operating finance



Johanne Dubucq
Legal



Diane Pasquier
Talent



Michael S. Levy
Marketing






THE ROLL-UP STRATEGY, A TRUE VALUE CATALYST



« 1+1=3 »

Underpinned by this philosophy, the «roll-up» strategy first emerged in North America in the 1980s, before gaining traction worldwide and crossing the Atlantic. Designed to build a leading group within its sector through the acquisition of smaller players, this approach remains relatively uncommon on the Old Continent, apart from a handful of players, particularly in the Nordics. Within Otium, the evergreen investment holding company founded in 2009 by Pierre-Edouard Stérin (€1.5 billion in assets under management as of September 2024), roll-up is recognized as a key strategy, and the Otium Partners team has developed specific expertise in building roll-up platforms.

Examples of roll-up platforms (public data, October 2024)

COMPANY	COUNTRY	INDUSTRY	# ACQUIS.	EV	EV / EBITDA
 CONSTELLATION SOFTWARE INC.	Canada	Vertical software	>1 000	€64bn	34x
 ROPER TECHNOLOGIES	USA	Vertical software	>90	€59bn	25x
 LIFCO	Sweden	System solutions	>200	€12bn	22x
 DIPLOMA PLC	United Kingdom	Value-add technical distribution	>40	€8bn	24x
 MEHILÄINEN	Finland	Healthcare service provider	>60	€2bn	21x
 AddLife	Sweden	Medical supplies distribution	>60	€2bn	16x
 INSTALCO	Sweden	HVAC maintenance	>130	€1bn	12x
 USPh	USA	Physiotherapy clinics	>650	€1bn	14x



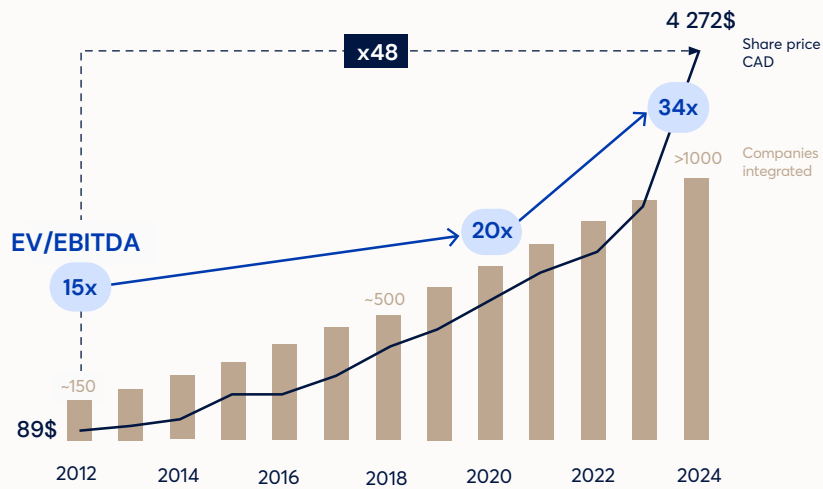
INTERNATIONAL VERTICAL SOFTWARE PUBLISHER
CANADA

>1 000
ACQUISITIONS

€7.6BN
REVENUES

€2.0BN
EBITDA

€64BN
EV



A different approach from build-up

Both build-up and roll-up are ambitious external growth strategies, but they follow distinct approaches. In a build-up strategy, an investor typically acquires an established company of significant size, usually at a market multiple and through a competitive process. This initial acquisition is then developed by integrating smaller companies, which helps accelerate the group's organic growth, often at lower valuation levels, enhancing overall value creation.

By contrast, a roll-up strategy involves creating a platform from scratch, in close partnership with a dedicated management team. This platform is in charge of acquiring micro-cap companies within the same industry and deploying an organic growth acceleration plan for each integrated company. This includes strengthening the organization, coordinating key functions such as finance, optimizing revenue strategies, activating operational efficiency levers, leveraging synergies between subsidiaries, and gaining access to new markets. The goal is to build solid groups with identified, actionable growth levers.

Roll-up involves creating a platform ex nihilo in partnership with a dedicated management team.

A methodical investment approach, dedicated to micro-caps


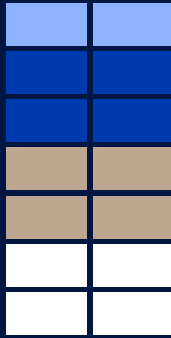
We develop roll-up platforms in fragmented business sectors with strong growth potential and high resilience. With EBITDA ranging from €0.5 to €3 million, our target companies are individually excellent candidates for LBO transactions. This «micro-cap» segment, often overlooked by investment funds due to the small size of the targets, is a highly inefficient market. Companies in this space frequently face challenges in aligning with best industry practices, financing their growth, or organizing their succession process. This results in an extremely rich pipeline of opportunities: for each roll-up platform, management teams identify and analyse hundreds to thousands potential target companies.

Eligible SMEs are selected based on a tailored evaluation matrix, adapted to each platform. This includes numerous criteria such as product and service differentiation, market positioning, operational improvement levers, potential commercial synergies with existing subsidiaries, and, critically, the management team's ability to successfully lead the next phase of growth.

Combining high performance with controlled risk

The roll-up strategy accelerates value creation while effectively managing associated risks. When operating on their own, SMEs often face limitations in financial and human resources, hindering their growth. By joining a structured and expanding group, these companies gain access to operational synergies and optimized support functions, improving overall efficiency, boosting revenue growth and profitability, and, consequently, the company's valuation. The gradual integration of multiple subsidiaries creates a virtuous circle, fuelling overall growth while diluting risk through the broadening of the customer base and a wider pool of expertise. This growth and risk profile enables our platforms to access financing more easily and to invest increasingly in their growth, while capitalizing on the leverage effect.

Value creation levers for a roll-up platform (illustrative data)

	Year 0	Year 5
	Standalone enterprise value	Value within a platform of 20+ companies
		
EBITDA	€1m	€1.5m (8% CAGR)
EV/EBITDA	5x	10x
DEBT	€3m	-
EQUITY VALUE	€2m	€15m
IRR %		50%
MOM X		7x

Leverage

A platform

- growing, resilient, profitable and cash generative...
- ...is an excellent candidate for bank or unitranche financing

Equity/debt balance

- Reduces the cost of capital
- Increases resources available for M&A and development

Multiple arbitrage

Entry multiples :

- Limited liquidity options for sellers
- Low competition at entry
- Associated risk
- Low intermediation

Exit multiple :

- Better growth and risk profile
- Multiple exit possibilities
- Competitive process due to deal size

Organic growth

- Selection of growing markets
- Sales strategy (contracts, pricing)
- Key recruitments
- Implementation of tools and KPIs
- Coordination of support functions, including finance
- Synergies between subsidiaries

A first roll-up success story by Otium

Hadrena's success has demonstrated the relevance of such a strategy. Created by Otium in 2021 with the mission of making leisure activities accessible to as many people as possible, Hadrena has, in under 3 years, established itself as a reference player in the leisure industry in Europe and the United States. By the end of 2024, the group will operate 130 leisure centers, under several strong brands in dynamic segments: family entertainment centers and karting-bowling with Speedpark and Games Factory, action games with Fort Boyard Aventures and Koezio, virtual reality with Eclipso and kids' activities with Kids Empire and Kojump trampolines. Thanks to a combination of robust organic growth and strategic acquisitions, Hadrena is projected to reach consolidated revenues of around €200 million and EBITDA of €50 million in 2024.



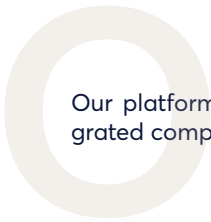
Building on this success, Otium Partners has launched several roll-up platforms in various sectors, from healthcare (Novavet, Enosium Life Science, see p. 11), to hospitality (Otelium, see p. 11), the nuclear industry (Alfeor, see p. 7) and business software (Comet Software, see p. 8). Additional investment theses are currently being explored in France and across Europe.

Our roll-up platforms (internal data, December 2024)

PLATFORM	DESCRIPTION	LAUNCH DATE	# ACQUIS	# FTEs
 HADRENA	Network of local leisure centres	2021	130 PoS	3 000
 novavet <small>LES CLINIQUEURS QUI VOUS RESEMBLENT</small>	Network of veterinary care clinics	2022	>50	300
 otelium	Group of accessible hotels	2023	4	50
 ALFEOR	Equipment supplier to the nuclear industry	2023	4	200
 ENOSIUM <small>life science</small>	Scientific services for life science companies	2024	3	100
 comet software	Group of vertical software publishers	2024	4	160

Entrepreneurs partnering with entrepreneurs

Entrepreneurship is at the core of Otium's DNA. Founded and managed by entrepreneurs, Otium Partners make equity investments alongside the managers of our platforms, fostering a true partnership approach. The Otium Partners teams work alongside the management teams on a daily basis, helping to manage and steer each platform as a genuine growth accelerator. This hands-on support encompasses acquisition and integration strategies, legal structuring, recruitment of key positions, communication and marketing, sharing of tools and best practices, implementation of synergies, etc. Additionally, hosting the management teams inside Otium Partners' offices combines seamless communication and unique agility.



Our platforms replicate this entrepreneurial approach with the managers and shareholders of the integrated companies. They recognize the differentiated value proposition offered by our platforms:

Equity investment:

The quality of the team and the trust placed in it are key reasons why people choose to join a company. That's why we systematically offer our owners-managers the opportunity to reinvest part of their proceeds into the platform. We see this as an effective way of aligning interests and reassuring both existing teams and business partners.

Transparent transaction processes:

We commit to a clear valuation and set terms, which remain unchanged until closing.

Preserving DNA and organization:

As the success of our integrated companies has been infused by their managers and teams, we pay attention to not disrupt this heritage. That is why our platforms' subsidiaries retain their identity, culture and organizational structure, while managers keep control of operations.

Concrete support for the platform:

The coordination of key functions (finance, human resources, etc.) and the provision of specialized expertise (operational excellence, business development, etc.) accelerate the development of integrated companies. Commercial and operational synergies are fostered by regular exchanges between company managers.

Perpetual ownership:

Each platform holds its integrated companies for an indefinite period, creating a long-term group that is a leader in its sector.

Focus on...

ALFEOR

THE NEW REFERENCE
EQUIPMENT SUPPLIER
FOR THE FRENCH
NUCLEAR INDUSTRY



ERIC DRUENNE

France's nuclear industry, the third-largest industrial sector in the country, comprises around 3,000 companies, 85% of which are SMEs. Faced with the fragmentation of this fast-growing market (expected revenues of €14 billion for all subcontractors by 2028 in France alone, compared with €9 billion in 2023), the idea of building a company capable of consolidating this ecosystem emerged in collaboration with Arnaud Montebourg, the former French Minister for productive recovery.

Convinced of the ability to build a new market leader, this investment thesis was quickly validated by the Otium Partners team in the second half of 2023. "In close partnership with their management teams, Alfeor intends not only to accelerate the development of the acquired companies by giving them access to new markets in both the civil and defence

Fact sheet 2024

SECTOR	: NUCLEAR
FOUNDED	: SEPTEMBER 2023
REVENUES	: €30M
EMPLOYEES	: 200
4 COMPANIES INTEGRATED	

sectors, but also to help enhance their operational efficiency", emphasizes Eric Druenne, co-founder and CEO of Alfeor.

A few months after its creation, Alfeor completed its first four acquisitions of strategic companies in the sector, including TSM (Traitements de Surface et Mécanique), Ateliers de la Meuse (ALM), Delta Metal and Laboratoire Effitech. These operations brought the number of employees to nearly 200, and revenues to €30 million.

www.alfeor.fr

Interview

Axel Jonsson, CEO of Comet Software
and **Basile Paul-Petit**, Partner at Otium Partners

CROSS



AXEL JONSSON



BASILE PAUL-PETIT

*Preserving the
entrepreneurial DNA
of acquired companies*

Can you tell us a little about Comet Software?

AXEL JONSSON : Co-founded in March 2024 with Otium Partners, Comet Software is a French business software group. Operating across the healthcare, financial services, construction and retail sectors, the company currently employs 160 people and serves 6,000 customers in France, Switzerland, Belgium and Luxembourg. Our development strategy combines strong organic growth with targeted acquisitions of business software publishers.

Why did you choose to join forces with Otium Partners?

AXEL JONSSON : Among the many funds we met, Otium Partners stood out for several reasons. Beyond the purely financial aspects, their team already had a recognized expertise and a strong track record in the software sector, so we were quickly aligned on the relevance of the consolidation thesis and the potential for value creation. Furthermore, Otium Partners is much more than a shareholder: we built this project together. Our interests are 100% aligned on a day-to-day basis: sharing the same offices with the Otium Partners team and the other roll-up platforms allows for more fluid exchanges and collective emulation, the investment team is ultra-available, and Otium's support functions (finance, HR, legal, marketing, etc.) regularly provide us with invaluable assistance in our development. Otium truly delivers first-class hands-on support. Finally, as Otium Partners has no defined exit horizon, they are focused on the long-term potential of Comet Software. This sets them apart from other funds.

Comet Software's development strategy combines strong organic growth and targeted acquisitions of business software publishers.

AXEL JONSSON

As for Otium Partners, what attracted you to this thesis and why did you decide to team up with Axel?

BASILE PAUL-PETIT : This is a very attractive business sector. The business software publishing market has demonstrated its resilience over the years and through recent crises, boasting a durable profitable growth dynamic, with many players achieving attractive levels of profitability. As Axel pointed out, it's an industry we know well and appreciate, as Otium is an investor in many leading software publishers. This market perfectly matches our investment criteria: growth, fragmentation, and market positioning of the targets. But above all, our decision to back Comet Software was the result of meeting with its management team, whose DNA closely aligns with ours: entrepreneurial spirit, method, speed and quality of execution, and ambition. We are fully confident in their ability to make Comet Software a leader in its market, as they have demonstrated over the last few months.

Fact sheet 2024

SECTOR	: SOFTWARE PUBLISHING
FOUNDED	: MARCH 2024
REVENUES	: €20M
EMPLOYEES	: 160
OVER 6,000 CLIENTS	
PRESENCE IN 9 COUNTRIES	

Building on its successful fundraising of €60m in April 2024 with Otium Partners, Comet Software made its first four acquisitions in the two months that followed.

BASILE PAUL-PETIT

Otium Partners is much more than a shareholder: we built this project together.

AXEL JONSSON

What interest do publishers have in joining Comet Software?

AXEL JONSSON : Our goal is to build a leading player in close collaboration with the managers who join us. Each of them can become a shareholder in Comet Software. Additionally, our model is highly decentralized: each acquired company retains its own identity, organization and culture. We support their long-term growth through our central resources and by facilitating the exchange of best practices across the group's companies.

What are Comet Software's ambitions?

BASILE PAUL-PETIT : Comet Software completed its first four acquisitions within two months of raising capital and is currently in exclusive negotiations with two other business software publishers. Our ambition is to make more than five acquisitions per year. The combination of organic growth from our targets and an ambitious external growth strategy should enable us to reach our revenue target of €100 million by 2027.

www.cometsoftware.fr

We share a common DNA with Axel in terms of entrepreneurial spirit, method and ambition.

BASILE PAUL-PETIT

Focus on..



SERVING THE HEALTHCARE COMMUNITY



ANTOINE AMER

Founded in March 2024, Enosium Life Science aims to become a European leader in scientific services for pharmaceutical, biotech and med-tech companies.

Led since its inception by Antoine Amer, a Medical Doctor with over twenty years of experience in the industry, the project is based on a strong belief. "Hit by a tsunami of innovations, this sector holds extremely promising prospects in Europe. However, in order to bring a new drug or technology to market, laboratories, biotechs and medtechs are faced with an increasingly long, costly and complex process, with an uncertain outcome", explains Antoine Amer. "This pitfall applies, for instance, to the conduct of clinical studies, medico-economic validation and making products available to doctors. Enosium Life Science's mission is to support these companies in their efforts and facilitate every critical step along the way."

Seeking a financial partner, Antoine Amer turned to Otium Partners at the end of 2023. "This highly agile fund, with its strong entrepreneurial culture, quickly deployed a team of internal and external experts to first validate the thesis, then to develop and structure the project alongside me, from strategy and business plan to legal issues, financing mechanisms, brand positioning and marketing execution. In less

Fact sheet 2024

SECTOR	: HEALTHCARE
FOUNDED	: MARCH 2024
REVENUES	: €13M
EMPLOYEES	: 100

3 COMPANIES INTEGRATED

EXPERTISE IN 5 KEY AREAS:

- Clinical research (CRO)
- Regulatory affairs
- Market access and medico-economic developments
- Medical and scientific affairs
- Marketing and sales strategy

than three months, Enosium Life Science was born", notes its Managing Director.

In the third quarter of 2024, the company completed its first three acquisitions, in France and the UK. Enosium Life Science plans to acquire more than 5 companies per year in Europe.

www.enosium.com



THE NEW-GENERATION HOTEL GROUP



MATTHIEU CHAVANEL

In collaboration with Otium Partners, Matthieu Chavanel launched Otelium in 2023, a hotel group with a singular approach, centred around two different strategies. The first focuses on building a portfolio of budget hotels. "We're targeting the real estate (walls) and the business assets of two- and three-star hotels in need of major renovation. The goal is to restore them in depth, enhance their service-offering to maximize

their value, and create synergies by integrating these assets into a unified group," explains CEO Matthieu Chavanel.

The second strategy involves completely repositioning hotels in unique, irreplicable locations, through innovative concepts. "We have a "sport-chic" positioning on coastlines, and our ambition is to build a brand that brings together a collection of exceptional locations with high property values". In the highly fragmented hotel market, Otelium also stands out for its innovative, fully integrated approach. The group operates as a deal-sourcer, designer, investor and operator, maximizing value creation at every step.

By the end of November 2024, Otelium had acquired three budget hotels in Caen and Tours, as well as a four-star hotel in Merville (Calvados).

Fact sheet 2024

SECTOR	: HOSPITALITY
FOUNDED	: FEBRUARY 2023
4 HOTELS INTEGRATED	

Dual strategy based on the creation of a portfolio of budget hotels and the development of a brand bringing together outstanding locations.

Building tomorrow's leaders together

Do you have an entrepreneurship through acquisitions project in Europe?

Are you interested in the roll-up strategy?

Do you have experience in managing SME acquisitions, with extensive experience in consulting, M&A, private equity, corporate development, transaction services, etc.?

Every year, Otium Partners invests over €200 million in its roll-up platforms and provides them with ongoing support, enabling them to complete several dozen acquisitions per year. Alongside the development of Enosium Life Science, Comet Software, Alfeor and Otelium, we will be launching new platforms in our target sectors in the coming months, in France and Europe, always in partnership with the best entrepreneurs.

Contact us to present your project!

We can help you develop your thesis and put you in touch with potential co-founders.



About Otium Partners

Working alongside bold entrepreneurs, Otium Partners creates, develops and accelerates tomorrow's leading groups through the creation of roll-up platforms.

Each year, Otium Partners invests over €200 million in equity to bring together micro-cap companies in high-growth, fragmented markets, helping them grow both organically and externally. Target markets include healthcare, industry, business services and real estate.

By the end of November 2024, as part of its roll-up strategy, Otium Partners had deployed four platforms in the hospitality (Otelium), nuclear (Alfeor), healthcare (Enosium Life Science) and business software (Comet Software) sectors. These platforms join our existing platforms in the local leisure sector (Hadrena) and healthcare (Novavet).

Find out more

<https://www.otiumcapital.com/en/expertise/otium-partners/>

Contacts



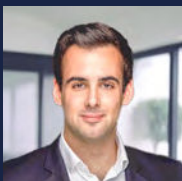
BASILE PAUL-PETIT

Partner



MAXIME de VARINE-BOHAN

Principal



ALEXIS DELANNOY

Principal

