

# WCP Newsletter

#1

December 2023



**Editorial  
from...**

**Serge Weinberg,  
Founding Chairman**

The year 2023 was a busy one for Weinberg Capital Partners and its teams.

Firstly, we broadened the scope of our expertise with the creation of Eiréné, our business dedicated to supporting SMEs and mid-caps in the security and defense sector. To date, we have raised over €165 million for this fund, which aims to take majority shareholder positions in order to support and accelerate the development of French companies in this sector of strategic importance to our sovereignty. At the end of May, our team made its first investment by acquiring a stake in Semip-Codechamp, a European leader in high-performance angular position sensors.

To ensure the development of our fund, we have made several recruitments, with the arrival of Marie-Astrid Bourquin, Maxence Kasper and Bastien Le Sagère. We have also strengthened our team with five other recruitments, notably in our support functions. We now have over forty employees, compared with less than thirty in 2021. Further recruitments are already planned for 2024, reflecting the momentum we are building, despite the difficult economic cli-

mate. The major part of these recruitments will be in support functions, to ensure the best possible service for our customers, and to strengthen our sales team.

As we approach the end of 2023, after several acquisitions and disposals within our various funds, we have begun to raise our WCP#4 LBO fund, with a first closing in December, and while we still have a certain amount of capital to invest in our WREP#3 real estate fund, we are preparing to raise the next WREP#4 fund.

Rising interest rates, a slowing economy and falling inflation are creating a situation that is complex but full of opportunities and, as I believe, more interesting than the period of "irrational exuberance" created by excess liquidity and low interest rates.

It is therefore with great enthusiasm that, despite the difficulties associated with the market, we look forward to 2024.

Find out all about these topics, and much more, in this first newsletter.

Enjoy your reading!

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**Highlight**

# The Customer Capital approach: a winning bet for creating value

***“Tell us who your customers are, and we’ll analyze your development potential”. This formula defines the notion of Customer Capital as we understand it, and which is at the heart of our LBO team’s analysis of investment opportunities. Convinced that a perfect understanding of the customer base is one of the most relevant indicators for analyzing a company’s trajectory, we have been capitalizing on this approach for several years now in our due diligence phases. Now, Customer Capital is becoming a central focus for the deployment of our new fund: WCP#4. Here’s how it works.***

## WHAT IS CUSTOMER CAPITAL?

The notion of Customer Capital expresses the fact that a company’s customer portfolio is an asset that needs to be managed and developed. By accurately determining Customer Capital, we can better understand the value potential of an investment opportunity, and make the most of its value-creation potential.

According to Bain & Company, nearly 60% of the organic growth of French SMEs and mid-caps is due to customer satisfaction and loyalty, expressed in Net Promoter Score (NPS).

Nevertheless, despite being a lever for value creation, Customer Capital is often an under-invested asset. For investors like us, with the right analytical expertise, it represents a decisive source of value for the strategy to be implemented alongside management.

## HOW TO EVALUATE THE CUSTOMER CAPITAL OF AN INVESTMENT OPPORTUNITY?

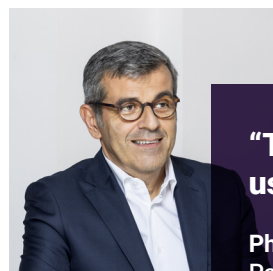
Our LBO team systematically uses Customer Capital to study investment opportunities. "It's a concept we use to determine the relevance of a project," says Dimitri Fotopoulos, Senior Director of the LBO team.

The team carries out a systematic and in-depth analysis of Customer Capital as part of its due diligence, covering in particular:

- diversification of the customer base;
- historical loyalty;
- growth potential;
- customer satisfaction;
- cross-selling opportunities.

This systematic approach enables us to identify companies with the most favorable dynamics and strong growth potential. It then enables us to draw up, alongside management, a sales roadmap with precise levers to stimulate organic growth; organic growth potential is based on existing customers (increase in average basket) and on winning over new customers.

Thanks to this approach, companies are able to deliver enhanced performance by strengthening their pricing strategy, reducing customer acquisition costs, increasing loyalty rates and improving gross margins.



**"This positioning offers us numerous benefits."**

Philippe Klocanas, Co-founder, Partner and Managing Director of LBO expertise

**"It's a concept we use to determine the relevance of a project."**

Dimitri Fotopoulos, Senior Director of the LBO team



"In addition, this positioning offers us numerous benefits, as it contributes to accelerating organic growth by leveraging the existing customer base with, in return, little investment and limited execution risk," testifies Philippe Klocanas, Co-founder, Partner and Managing Director of LBO expertise.

We are ideally positioned to fully exploit this reservoir of value thanks to:

- our strong expertise in distribution and services;
- our extensive, first-class network in the French SME and mid-cap ecosystem;
- our ability to identify the levers of value creation linked to Customer Capital;
- our operational approach focused on corporate strategy, customer experience and omnichannel distribution.

### END-CUSTOMER APPROACH TO INVESTMENT PROJECTS

- |                      |                     |                                     |
|----------------------|---------------------|-------------------------------------|
| - Addressable market | - Customer behavior | - Pre-acquisition customer research |
|----------------------|---------------------|-------------------------------------|

### ANALYSIS OF CONSUMER TRENDS AND NEW USES

- |                       |                        |                     |
|-----------------------|------------------------|---------------------|
| - Ethical consumption | - Immediacy simplicity | - Use vs. ownership |
|-----------------------|------------------------|---------------------|

### CUSTOMER CAPITAL MEASUREMENT AND ASSESSMENT TOOLS

- |                            |                            |                   |
|----------------------------|----------------------------|-------------------|
| - Mystery shopper approach | - Net Promoter Score (NPS) | - Brand awareness |
|----------------------------|----------------------------|-------------------|

### GOALS

- Measure brand awareness against competitors
- Assess customer satisfaction / identify reasons for dissatisfaction, sources of potential value creation
- Anticipate possible expansion of customer / product base
- Measure customer behavior (online purchasing, click & collect, stores)

### BENEFITS

- Better risk assessment
- Pre-deal value creation
- Identification of post-deal value creation potential and action plans to capture it
- Differentiation in a competitive process



## HOW DOES THE CUSTOMER CAPITAL APPROACH CREATE VALUE ACROSS DIFFERENT CYCLES?

The business strategy developed in collaboration with our companies' management teams, based on the Customer Capital approach, enables us to activate growth levers capable of overcoming different economic cycles.

A disciplined, systematic approach to assessing the Customer Capital of an acquisition opportunity provides greater visibility on the sustainability of its commercial positioning, and hence its resistance to macroeconomic ups and downs.

The various companies in our portfolio are remarkably resilient, given the current economic climate. Here are a few concrete examples.

### Besson

# I LOVE MY SHOES

**Besson Chaussures, leading shoe retailer on the outskirts of Paris**

In portfolio since 2018

In a retail market marked by the closure of many city-center brands, Besson Chaussures' historic quality/price positioning on the outskirts has enabled it to post 7% growth by 2023, including 3% organic growth, as it continues to expand the group, which now has got 200 stores in France, Spain and, more recently, Belgium.

*"Soaring food prices are driving households to the outskirts of town to find lower-cost footwear. Besson Chaussures offers them shoes that are 20% to 30% cheaper than those of competitors, thanks to lower cost structures",* comments François Gireau, President of Besson Chaussures.

### SAPIAN

Pour des lieux de vie sains et sûrs

**SAPIAN, a national player in services dedicated to hygiene, disinfection and protection of living and working environments**

In portfolio since 2019

With more than 50,000 customers to its credit, SAPIAN's four core businesses (air hygiene, sanitation, pest control and fire protection) offer tremendous potential for organic growth. The implementation of planning tools, combined with a proactive sales strategy, will enable the Group to post organic growth of over 7% to date\* for fiscal 2023, in line with its objective of exceeding sales of 130 million euros for the full year.

*"In an increasingly competitive environment, defining a customer culture for SAPIAN is a strong factor in differentiation and value creation. Maintaining good relations with our customers and ensuring quality services guarantee healthy relationships over the long term. Creating an exceptional customer experience fosters loyalty and growth,"* says Fabien Sfez, President of SAPIAN.

### Juliette

**Juliette has a gun, a niche fragrance brand**

In portfolio since 2023

Juliette has a gun was created with the ambition of breaking with classic perfume codes and designing a brand that speaks to the modern-day "Juliette". A dynamic, elegant and assertive young woman in search of an original and daring olfactory signature. Thanks to its unique positioning, the brand is present in some fifty countries, including the United States and China, which are today its main markets. In addition, re-purchase intentions are very high, confirming the brand's strong appeal.

*"Our ambition is to continue Juliette has a gun's growth, consolidate its presence in existing markets and raise brand awareness. The brand has found its audience, now it's up to us to make it grow,"* comments Romano Ricci, Founder and President of Juliette has a gun.

## CUSTOMER CAPITAL, A DIFFERENTIATING FACTOR FOR WCP#4?

*"We have made Customer Capital a central pillar in the deployment of our new fund, WCP#4. It is now our 'trademark'. Encouraged by what we've learned, we use this approach in part to convince business leaders to place their trust in us,"* emphasizes Dimitri Fotopoulos. *"In the due diligence phase, the study of the customer base provides us with solid and relevant results to build a business plan adapted to the company",* he adds.

For us, Customer Capital is a key differentiator. Our team has a solid knowledge of this concept. The performance of our investments, in a turbulent economic climate, demonstrates the relevance of focusing on this approach.



**"We have made Customer Capital a central pillar in the deployment of our new fund, WCP#4. It is now our 'trademark'."**

\* Data as of November 30, 2023.



## Interview

# Alexandre Finkelstein, CEO of Semip-Codechamp

**Semip-Codechamp, the first investment from our Eiréné fund, is a leading player in the field of high-performance angular position sensors. Alexandre Finkelstein, the company's CEO, answers our questions to gain a better understanding of his company's business and how our Eiréné team is supporting it.**

**Semip-Codechamp is the European leader in high-performance angular position sensors. What does this entail, and why does it make the company a strategic player in the sovereignty arena?**

**Alexandre Finkelstein:** Founded in 1959, Semip-Codechamp is a family-owned company specializing in the design and manufacture of angular position sensors. Our business is focused on cutting-edge markets such as defense, civil nuclear power and space. We have two sites: Argenteuil (Île-de-France), for Semip's activities, and Champagnat (Nouvelle-Aquitaine), for those of Codechamp.

On the market, our products stand out for their high level of performance, whether in terms of precision or ability to withstand extreme environments such as vibration, shock or high temperatures. We are involved in the majority of French and European defense programs. The specificity of our products enables us to position ourselves as a single-source supplier.

Today, we are a strategic sovereignty company, as our products directly contribute to the performance of the systems on which they are embedded. This level of techno-

logical excellence is the result of over twenty years' investment in research and development (R&D). Our products, based on proprietary technologies developed in-house, enable us to offer sovereign solutions designed and produced in France. For us, this is a real asset, a real differentiating argument that we promote to our customers, including on export markets.

**Weinberg Capital Partners' Eiréné fund acquired a stake in Semip-Codechamp last May. What was the background to this acquisition?**

**A.F.:** We wanted to bring in an external partner because my father, Serge Finkelstein, who was the company's CEO and majority shareholder until last July, was about to step down.

We therefore entered into discussions with the Eiréné team at the end of 2022, and had two other serious applications from industrial companies.

We decided to continue our adventure alongside Weinberg Capital Partners, as we were convinced by the thesis of independence, growth and consolidation proposed by the Eiréné team. We were also impressed by their desire to capitalize

on existing management and provide the company with the means to accelerate its development.

Finally, we are proud to be associated with the first French investment fund dedicated to supporting SMEs and mid-caps in the security and defense sector. It's a natural fit with our company's history.

**What are your first impressions of this partnership?**

**A.F.:** As I mentioned, this is the first time we've teamed up with an investment fund. So it's a new adventure for us. We didn't really know what to expect, and our first impressions of the partnership with Weinberg Capital Partners exceed what we could have imagined.

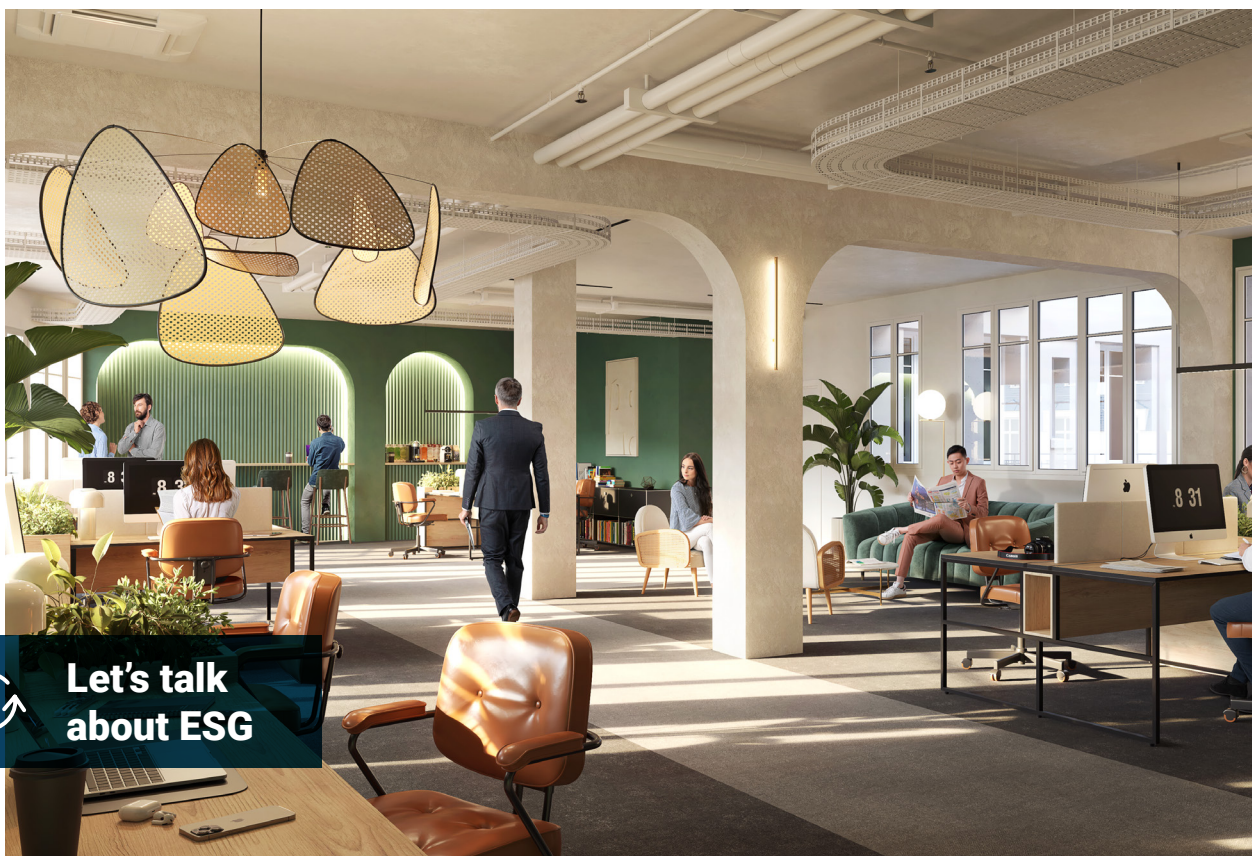
In addition to the supervisory board meetings, we are in regular contact with the Eiréné team, who provide us with support and expertise on a variety of issues. We discuss, of course, the company's overall strategy, but also more practical matters such as support in using new tools for our Finance department, for example. Since last July, we've been able to lay the foundations for our future growth strategy.

From our very first discussions, we were able to establish a real climate of trust with the Eiréné team. For us, a frank and transparent dialogue with our shareholders was a *sine qua non* for the success of such a partnership.

We feel truly supported, while remaining fully in control of our own decisions. This clear and transparent governance is a key success factor when it comes to meeting new challenges and taking the company into a new phase in its history.

**"We are proud to be associated with the first French investment fund dedicated to supporting SMEs and mid-caps in the security and defense sector. It's a perfect fit with our company's history."**





## Our WREP#3 fund earns the SRI label

At the beginning of 2023, our WREP#3 fund was awarded the SRI (Socially Responsible Investment) label. It's a label we were keen to acquire, as it lends credibility to the vision advocated from the outset by Jean-Philippe Olgati, Partner and Managing Director of Real Estate expertise: to transform obsolete assets, no longer meeting users' expectations and losing any form of liquidity, into sustainable assets.

**"My team and I are convinced of the importance of making a positive contribution to society and the environment, while generating financial returns for our investors."**

Jean-Philippe Olgati, Partner and Managing Director of Real Estate expertise



### WHY OBTAIN SRI CERTIFICATION?

We gave our WREP#3 fund the SRI label because we wanted our approach to be legitimate and to play an active part in transforming the real estate sector towards more sustainable practices.

Indeed, our Value add strategy, which consists in transforming obsolete assets that no longer meet users' expectations and are losing all forms of liquidity, into sustainable assets, is perfectly in line with the requirements of the SRI label and its Best in progress approach.

Being SRI-labeled means that we have an obligation - it's no longer just a matter of defending a vision or convictions - to consider environmental, social and governance (ESG) factors in our acquisition decisions, and to do so throughout the investment period, Partner and Managing Director of Real Estate expertise. This approach leads us to be more selective, choosing real estate assets and transformation projects that make a significant contribution to reducing carbon footprints, improving resilience to climate change and enhancing occupants' quality of life, for example.

In this way, by anticipating future regulations and market trends, the SRI approach helps to fight against building obsolescence and, ultimately, to guarantee sustainable buildings.

The label also complements our risk management tools, particularly in terms of ESG trends.

Finally, the SRI label enables us to systematically frame our thinking on opportunities for sustainable innovation in our assets, and to establish and monitor ambitious and tangible improvement plans.

## HOW DOES THIS LABEL MEET INVESTORS' EXPECTATIONS?

Obtaining the SRI label requires a high degree of transparency and rigor in our reporting. In fact, we have to document and explain in detail how we take ESG criteria into account for each asset in our portfolio. We specify their extra-financial performance, the monitoring indicators we use, and report on the evolution of their ESG rating. These reports, which are highly detailed, help to reinforce investor confidence in our approach.

With this label, our investors have the guarantee that we have implemented strict selection criteria and processes that take ESG issues into account. The SRI label enables us to demonstrate our commitment to responsible investment practices and asset sustainability objectives.

## WHAT NEXT FOR OUR VALUE ADD BUSINESS?

We want our next fund, WREP#4, to be SRI-labeled. Firstly, to be consistent with what we've initiated with our WREP#3 fund, but also because this label will enable us to attract investors keen to commit themselves alongside a concerned team, and to adhere to a vision that takes genuine account of environmental and societal challenges.

We are aware, however, that this transition requires real investment. This is why we are working hard to build viable business plans that guarantee the performance of our investments. However, at the same time, we have to contend with rising construction costs and various regulatory constraints that are slowing down our aspirations. Our aim is therefore to reconcile ecological transition and financial performance in each of our investments.



### What is the SRI label?

The SRI label was created in 2016 by the French Ministry of the Economy and Finance. Its aim: to enable savers, as well as professional investors, to distinguish investment funds implementing a robust socially responsible investment methodology, leading to measurable and concrete results.

Real estate funds (SCPI and OPCI) have been eligible for the label since 2020.

Source: [labellISR.fr](http://labellISR.fr)





## Our ESG and climate training program: supporting our teams to consolidate their skills

According to us, regular ESG training for our teams is crucial for a number of reasons. We believe that this is a cross-cutting theme for all our businesses. It is therefore imperative that it does not remain a subject of competence dedicated to our ESG Director, but that all our employees take ownership of it and apply it in their activity.

Thus, by training our investment teams, we ensure that they fully understand ESG factors and integrate them into their analysis process. As a result, our investment decisions are more informed, taking into account not only traditional value-creation drivers, but also the risks and opportunities associated with medium- and long-term sustainability.

What's more, by regularly coaching our teams on these issues, they have the necessary skills to identify, right from the start of the investment process, assets that adopt sustainable practices. This also fosters the development of an investment culture focused on responsibility, where professionals take ownership of the subject and consider, in a more holistic way, the overall impact of companies and buildings on society.

### DEPLOYMENT OF SPECIFIC TRAINING ON CLIMATE-RELATED ISSUES

In order to enhance our understanding of climate-related issues, which are at the heart of our ESG strategy, we have decided to offer all our teams access to the Climate School training course developed by AXA Climate. The aim is to strengthen our employees' skills on this subject, following on from the organization of the Climate Fresk in which they took part in 2022. By following this training, we aim to meet several ambitions:

- 1 Better identification of climate change risks and opportunities:** climate change can have significant effects on portfolio companies, ranging from the physical risks associated with extreme weather events to the transitional risks associated with changing regulations. Dedicated training enables investment teams to recognize these risks and identify the opportunities associated with companies adopting practices that are already part of the climate transition.





**By training our investment teams, our investment decisions are more informed, taking into account not only traditional value-creation drivers, but also the risks and opportunities associated with medium- and long-term sustainability.**

**2 Know the regulations:** climate-related regulations are constantly evolving. Investment teams need to be aware of regulatory trends relating to climate change, as these can have a significant effect on the profitability and viability of investments over the long term.

**3 Measuring long-term value creation:** companies that integrate sustainable practices and effectively manage the risks associated with climate change are often better positioned to be resilient and continue to generate value over the long term. Training on these issues helps investment teams to comprehensively assess the health and sustainability of the companies in which they invest.

**4 Meeting investor expectations:** more and more investors are paying attention to ESG issues, including climate change. Being trained in these issues enables teams to align their investment decisions even more closely with investors' growing expectations in terms of sustainability.

## OTHER INITIATIVES TO TRAIN OUR TEAMS

Our training program is also supported by other initiatives. For example, every year we organize an ESG Morning. This event is aimed not only at ESG and sustainability representatives within the portfolio, but also at all our teams. During this morning, we offer training sessions led by industry experts, investor testimonials and best-practice sharing workshops. In 2023, our ESG Morning was dedicated to climate issues, and it will be devoted to biodiversity in 2024. In addition to training, this event enables us to bring our ecosystem together and create networking opportunities.

ESG training courses specific to some of our areas of expertise, such as Real Estate, are also planned in the coming months, as well as other targeted training courses via France Invest's training programs.

For 2024, we plan to strengthen the skills of our teams through two specific training courses. Firstly, we will be organizing face-to-face training to deepen our skills in integrating ESG factors throughout the various investment phases. This will enable us to monitor the progress of ESG and climate action plans within our portfolio. We will also launch the Regulation School training program with AXA Climate, devoted to developments in ESG regulations.

In short, we believe that ESG training for our teams is essential to provide them with the tools they need to better identify the risks and opportunities of sustainable investment, to understand the challenges of climate transition in their business and to promote our responsible and holistic approach to investment and value creation.



### Our ESG brochure is online!

Discover our ESG brochure to learn more about how we support our investments in achieving sustainable performance.

The brochure includes an editorial by Serge Weinberg, Chairman and Founder of Weinberg Capital Partners, an

interview with Caterina Romanelli, Head of ESG, on how we take climate and carbon issues into account in our investment philosophy, a cross-interview with Philippe Klocanas, Co-founder and Partner, and Bérangère Beaujean, Head of Communications, on our ESG ambi-

tions at management company level, and many other case studies and interviews dedicated to our investments.

To consult our ESG brochure (only in French), [click here!](#)



### Capital Invest: Serge Weinberg on strategic intelligence

On November 23, Bpifrance's Funds of Funds team organized Capital Invest, the event that brings together private equity professionals around the theme of "Intelligences".

Our Chairman, Serge Weinberg, was invited to talk about strategic intelligence. He reminded us that, in early 2023, Weinberg Capital Partners created a new expertise, Eiréné, to support the development of SMEs and mid-caps in the security and defense sector.

Serge Weinberg spoke in particular about the issues raised by the creation of Eiréné during its conception and, in particular, the interpretation of ESG.

In this context, the Chairman of Weinberg Capital Partners constantly defended his conviction that financing this industry is essential to ensure our sovereignty, which is itself the condition for our ambitions in achieving the objectives pursued by the ESG.

A concrete example of strategic intelligence at the service of sovereignty.



### marcel&fils: a strong partnership around the "gourmet organic" concept

The "gourmet organic"? This is the unique and original concept advocated by marcel&fils and its Founder Emmanuel Dufour. It was this positioning in particular that attracted our LBO team, back in 2019, leading to the materialization of a partnership in 2021.

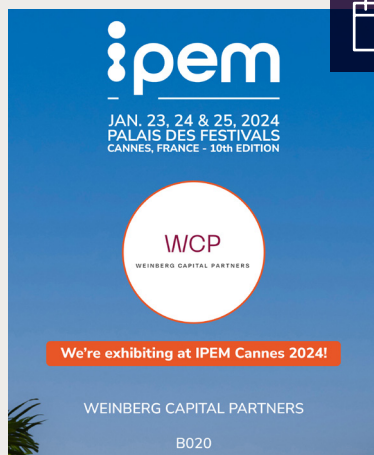
To find out more about our "shared history" with marcel&fils, (re)discover the testimonials of Emmanuel Dufour and Anthony Guillen, LBO Director, [in video](#).

magasins BIO  
**marcel & fils**

#### marcel&fils in brief:

<b>Expertise</b> Specialized in the distribution of organic food and non-food products	<b>LBO - WCP#3</b> Fund
<b>2008</b> Company creation	<b>€120 million</b> Sales in 2023
<b>2021</b> Year of investment	<b>60</b> Sales outlets





## IPEM Cannes 2024: meet our team!

Part of our team will be taking part in the 10<sup>th</sup> edition of IPEM, to be held on January 24 and 25 at the Palais des Festival et des Congrès in Cannes on the theme of "Getting Deals Done".

You'll be able to talk with:

- Alain Biquard, Development and Investor Relations Manager;
- Dimitri Fotopoulos, Senior Director LBO;
- Philippe Klocanas, Co-founder, Partner and Managing Director of LBO expertise;
- Lionel Mestre, Partner and Managing Director of Eiréné expertise.

To arrange a meeting, please contact Alain Biquard:

[alain.biquard@weinbergcapital.com](mailto:alain.biquard@weinbergcapital.com)

We hope to see many of you at our booth on level B020.

## 2023 investor meetings

Our private equity funds held their investor meetings on November 28 and 30.

This was an opportunity for our LBO, Nobel, Impact and Eiréné teams to delve further into this year's investments in the presence of their CEOs (Romano Ricci - Juliette has a gun, Alexandre Finkelstein - Semip-Codechamp, Hadrien CLEMENT - Orion Énergies), discuss the fund's performance, and outline our ambitions in terms of ESG.

Thanks to all our investors who participated in these meetings, either in person or remotely!



## They made the headlines

They were all over the media, scaring the population: bedbugs!

Last September, no one could escape the media attention surrounding these pests, which are proliferating at breakneck speed.

To eradicate them, the experts of our LBO participation, SAPIAN, remain mobilized to respond to all requests in record time.

SAPIAN is also involved in sanitation, air hygiene and fire protection.

For any emergency, contact your nearest SAPIAN branch by [clicking here](#).



### SAPIAN in brief:

**Expertise**  
Major player in BtoB hygiene services

**LBO - WCP#3**  
Fund

**1965**  
Company creation

**€123 million**  
Sales in 2022

**2019**  
Year of investment

**40**  
Branches