

## CASE STUDY CLS

### How a successful public-private partnership build a leading satellite data business



Success for Ardian in the public-private partnership sector. The complementarity between the technological know-how of the French National Center for Space Studies (CNES) and the financial expertise of Ardian was instrumental in the ramp-up of CLS. This niche technology company has become the leader in all its segments, spurred by the combined efforts of its public and private shareholders as well as its management.

#### KEY FIGURES

- > Twofold increase in profitability
- > Increase from 450 to 750 employees
- > 5 acquisitions
- > Presence at 26 sites in 198 countries
- > 80% of revenue directly related to UN sustainable development goals

#### Public-private partnership efficiency

As a subsidiary of the CNES and IFREMER (French research institute for exploitation of the sea), CLS (Collecte Localisation Satellites) specializes in data processing for earth observation solutions, used primarily in environmental monitoring or ocean and resource management. In 2013, and for the first time, the CNES decided to allow a private player to invest in its subsidiary. It selected us as a partner for several reasons: the fact that we are an institutional

player, our international coverage – a vital asset to support the group’s development – and, finally, a proven skills complementarity.

We on the other hand were convinced of the merits of this investment based on CLS’ growth potential, a very solid private and public customer base, a stable and committed management team and the sector’s strong entry barriers.

We therefore concluded a non-standard agreement and invested €29.5 million, taking a minority interest of 32% alongside a public player. Throughout this collaboration, the CNES has trusted us with organization and financial reporting, while it has provided its technological expertise.

### **Structuring and acquisitions to bolster a leading position**

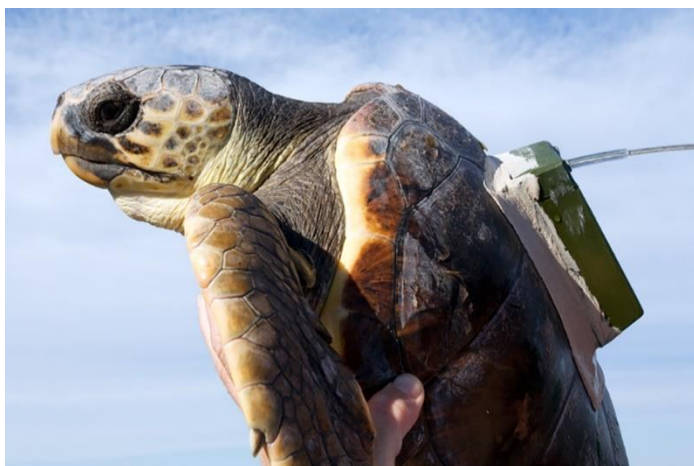
Firstly, our investment resulted in support for the financial organization: set-up of KPIs and financial reporting, cash management, reinforced control over international subsidiaries, etc.

As figures mean nothing without human capital, we advised CLS to boost its HR talent management policy and improve its CSR governance.

In a very competitive sector, we assisted the management team with the major reorganization of CLS’ activities into five business units. This reorganization boosted the company's innovation and focused its activity on customer needs (maritime safety, environmental and climate monitoring, sustainable fishing management, etc.), enabling CLS to become a leader in each of these sectors.

This leading position was strengthened through external growth. We assisted CLS with five acquisitions, covering the identification of targets, the audit and valuation phases, and financial structuring. These deals enabled CLS to gain a foothold in new markets, expand its geographical coverage or acquire state-of-the-art technology.

Two of these deals enabled CLS to triple in size in the very strategic US market, where it has become an innovative and agile player.



*Turtle equipped with ARGOS beacon*

## Equipped for the future

At eighteen months from the initially schedule exit date, and as proof of our confidence in the company and our solid relationship with CNES, we backed a fundraising of €100 million for CLS. This phase was essential in setting up a new ground-breaking satellite infrastructure system to guarantee the sustainability of the ARGOS system. With KINEIS, CLS will operate 25 nano-satellites and boost its position in space development and strategic data collection.

This opportunity finalizes the value creation that has guided our six years of support. During this period the company doubled its profitability and strengthened its international foothold, with two-thirds of its revenue generated outside France. It illustrates the excellent results that the shared trust between public and private shareholders and a committed management can produce.

## TESTIMONIALS

*"We worked very closely with the management teams, the CNES and IFREMER, while keeping the necessary leeway to assume our role as active investor. Due to its reorganization, the acquisitions and Kineis, CLS is in an excellent position to embrace the future and has a pipeline of opportunities generated by synergies that can now be seized."* **Caroline Pihan, Director, Ardian Expansion**

*"I'd like to thank the Ardian, CNES, and Ifremer teams for their support. They have really been there for us, playing a major role in developing new expertise and supporting our international expansion. Their strategic and practical guidance has helped strengthen our leadership and broaden our portfolio of solutions. We are delighted to welcome CNP, an investor that shares our vision and corporate philosophy. CNP, together with CNES, will help us grow and take on new challenges for a sustainable planet."* **Christophe Vassal, Chief Executive, CLS**