



**SLATOR LONDON - 2018**

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**LANGUAGE INDUSTRY M&A**

**Benjamin du Fraysseix – CEO Technicis Group**

## M&A – OUR TRACK RECORD

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2015



- 4 m€ revenue
- 25 employees
- Belgium

2016



- 4 m€ revenue
- 25 employees
- Switzerland

2017



- 12 m€ revenue
- 100 employees
- Multi (Europe)

2018

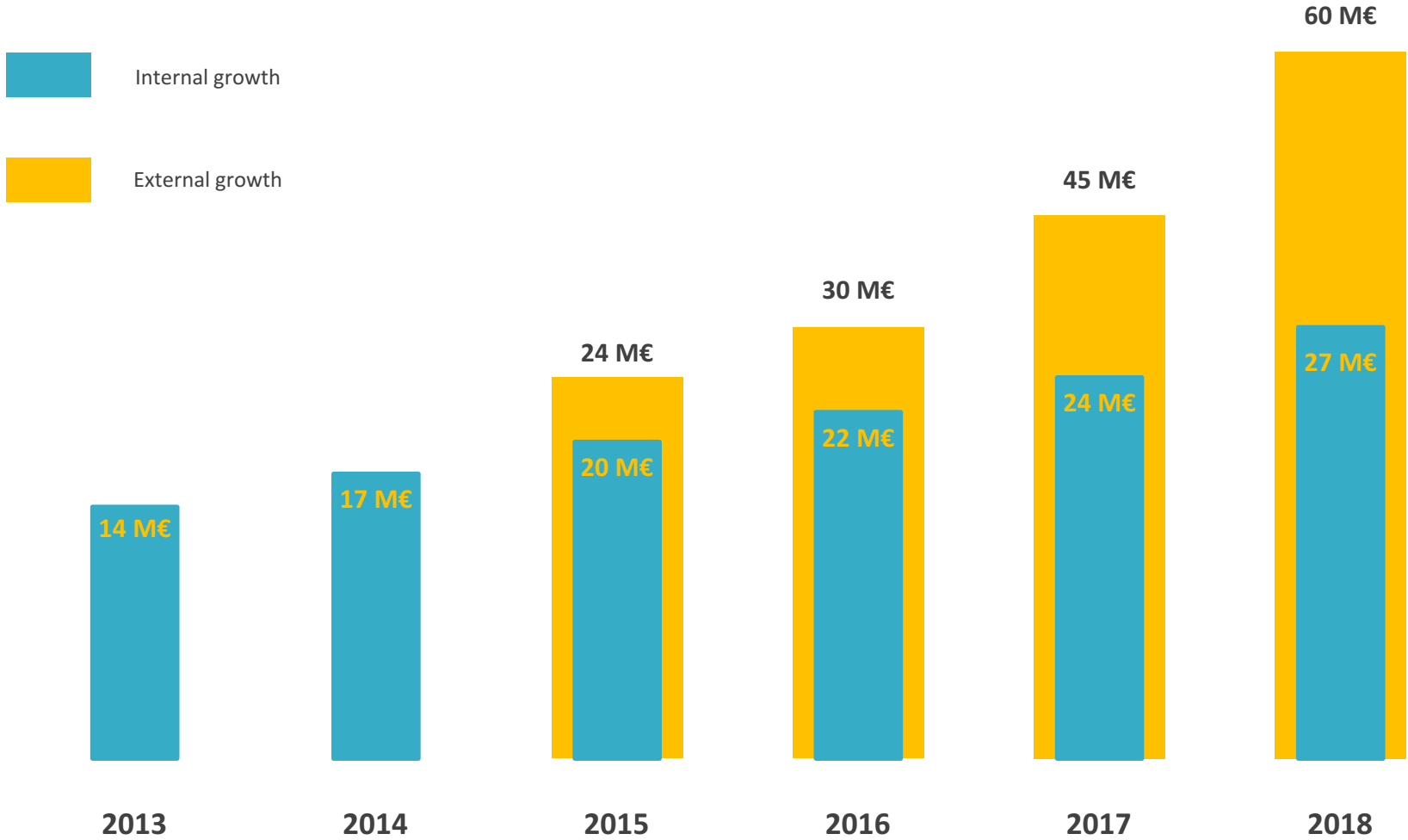


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- 10 m€ revenue
- 45 employees
- France

## M&A – A STRONG ACCELERATOR

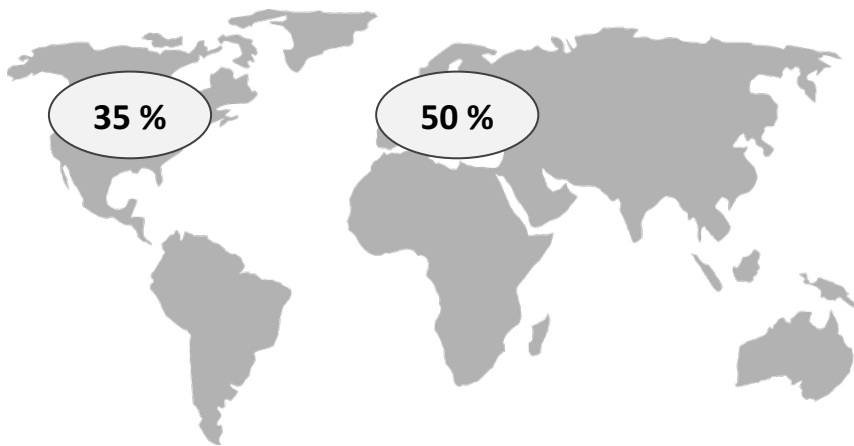
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## LANGUAGE INDUSTRY – THE M&A FIELD

### DEMAND

40 billion \$ / year  
b-to-b language services spends



### SUPPLY

Revenue (\$) / year

Number of players

% market share

> 100 M

15

12 %

20 - 100 M

30

4 %

< 20 M

+ 20 000

86 %

## THE EXTERNAL GROWTH STRATEGY

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TARGETS	DEAL COST	VALUE AT DEAL TIME	VALUE 1 TO 3 YEARS POST ACQUISITION
< 10 M€ revenue	Ebitda multiple X	Multiple accretive Effect (> X & Y)	<ol style="list-style-type: none"> <li><b>Fixed cost</b> - group size effect – overlap</li> <li><b>Organic growth</b> - up sell &amp; cross sell effect</li> <li><b>Staff</b> - processus alignement (reduced overhead) - overlap</li> <li><b>Translation cost</b> - common rules &amp; negotiation power</li> <li><b>Support functions</b> - technology – finance – marketing – HR – VM</li> </ol>
> 10 M€ revenue	Ebitda multiple y		

## THE M&A « J » EFFECT

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**J**

## THE M&A UPSIDES & DOWNSIDES

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Unexpected  
up / cross selling

Inherited  
talented staff

Exciting challenge  
for teams

Bigger  
is easier

New centralized  
functions

Problem moving  
into improvement



Negative  
social climate

Overvalued  
cross effects

Long processus  
alignment

Difficult tech  
convergence

Slow  
financial gains

Client &  
translator exit

## THE M&A METHODOLOGY

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1

Transparent &  
honest communication

2

1-3 month immersion  
in the acquired company

3

Core business  
improvements (quick wins)

4

Deep finance, business  
processes & HR focus

5

Positive cross  
selling output

6

Identification of key managers  
& quick reward

7

Support functions  
strong changes

8

The evidence of the « back to  
growth » convenience

9

Easy to track & reachable  
KPI + related incentives



## THE 4 SYSTEMATIC M&A TOPICS

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Roadmap alignment  
for internal projects

Centralized marketing  
(client & translator)

Global vendor  
management database

Common Sales / KAM /  
PM techniques

## THE M&A KEY SUCESS FACTORS

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### IMPLICATION

- Managers (acquirer and acquired) must be highly implicated
- Top management must quickly show a global view on all topics to be improved / adjusted
- A very transparent & fluid communication to employees avoid misunderstanding

### KPI & METHOLOGY

- KPI (sales & PM) should be explained and implemented
- Documented processes & a clear methology on all topics is a win win for acquired and acquirer
- HR incentives connected to financial gain creates a strong alignment for all the parties involved

### FINANCIAL IMPACTS

- Measuring revenue growth – increased margin - HR optimization - fixed costs gain + all the qualitative changes give pride to everyone
- Showing the financial profitability (Ebitda) consequences to everyone create an easy to track roadmap – linking it to the HR package plan creates an additional virtuous effect

## THE NATURAL UPSIDES FROM AN M&A DEAL

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### FOR ACQUIRER

Sales - Marketing  
automation & intelligence

New Client & translators  
TMS functionalities

A different  
R&D culture

### FOR ACQUIRED

Potential client /  
/ geographical / sector fit

Improved sales & PM  
approach

HR cultural  
complementarities

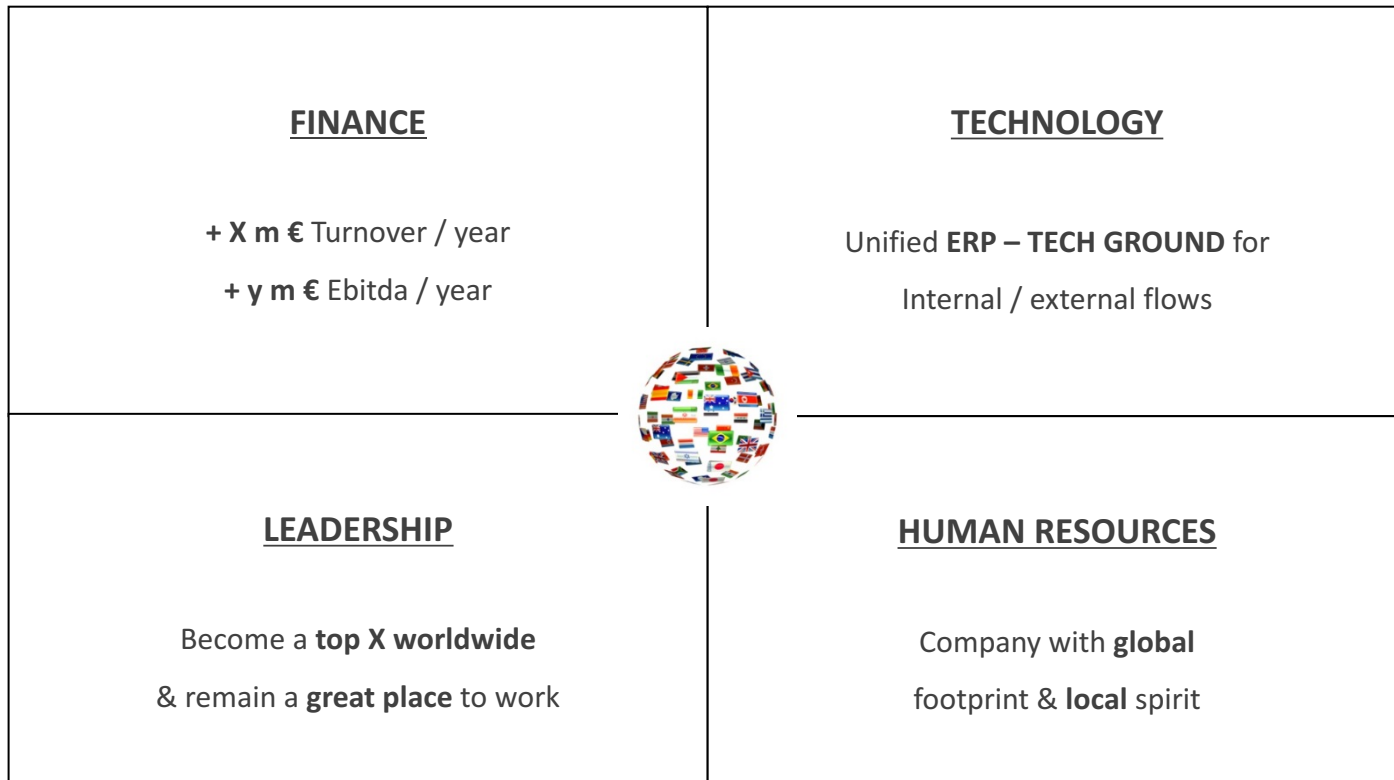
Access to bigger RFP /  
different client culture

Access to larger & cost effective  
supplier database

An additional tech ground –  
TM / MT / AI...

## THE M&A VALUE LEVERS

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## THE M&A CONCLUSION

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**IT IS A PAINFUL & DIFFICULT JOURNEY ...**

**... BUT IT IS EXCITING & IT CREATES VALUE**