

PRESS RELEASE

OCTOBER 17 2019

Vapé Rail International has been acquired by its CEO, Stéphane Brunet, alongside *Croissance Rail*, the French rail industry fund managed by Bpifrance, in a 4 million euros deal

Lyon (Rhône), October 17 2019 – Vapé Rail International, French specialist of fastening systems for railways, subways and tramlines has been bought out by Stéphane Brunet, CEO, who becomes the majority shareholder in the capital, alongside the *Croissance Rail* fund, the French private equity fund dedicated to the French railway industry, managed by Bpifrance.

***Croissance Rail*, backed by Alstom, Bpifrance, SNCF, Bombardier and RATP, is thus lending its support to a company challenging market leaders in a highly concentrated sector.**

Appointed CEO in 2011, Stéphane Brunet has progressively turned Vapé Rail International from a plastic parts contractor into an innovative rail designer developing complete rail fastening systems.

The company has extended its offering from its core business (railway fastening systems for subways and tramlines, and maintenance equipment) to new business (equipment for the urban tramway and subway network and connected maintenance objects). The company currently has a turnover of 10 million euros, with a team of 15, and aims to strengthen its presence on these new market segments.

Vapé Rail's customers include the main railway and urban networks operators (SNCF, RATP), railroad construction and infrastructure supplier groups. The SME based in Montréal-la-Cluse (Ain area, France) has been selected for several Grand Paris projects (e.g.. pathways for sections of the Paris Metro lines 11 and 14). In addition, the company has signed a worldwide exclusive partnership with Siemens for Neoval projects and has demonstrated a sustainable capability to provide SNCF with millions of rail fastening systems every year.

Vapé Rail International has also been rewarded for its distinctive innovation capabilities. The company received the award of Innovative Company in 2018 at the Innotrans French Rail Awards, highlighting its digital offering for a connected track.

In this transaction, the historical shareholders led by MFGI since 2010 have sold their stake in an MBO deal. CEO Stéphane Brunet has acquired a majority stake alongside Bpifrance, through *Croissance Rail*, the French private equity fund dedicated to the railway industry, which is investing 1.6 million euros.

Stéphane Brunet, CEO of Vapé Rail International, said: "We are going to pursue the development of Vapé Rail International that we started back in 2011, with the continued firm resolve to bring complete, innovative and efficient solutions to railway infrastructure. More than ever, infrastructure operators must reduce maintenance costs without detriment to performance. To meet this two-fold challenge, Vapé Rail International is shaking up innovation in the rail industry. The company offers anchoring systems with increased reliability, easy-to-install pathways and connected devices that target maintenance needs. This new step will help the company accelerate and strengthen its competitive



position in France and abroad, in the core business segment, fastening systems, as well as in the digital and IoT segment on which we have a strong ambition”.

Vanessa Giraud, Senior Investment Director et Anne-Sophie Serre, Senior Investor at Bpifrance, added: “We are delighted to help Vapé Rail develop further, notably in the Grand Paris urban projects and its pursuit of predictive maintenance R&D programmes. Vapé Rail International marks Croissance Rail's ninth investment. This operation diversifies the fund portfolio's exposure to infrastructure and connected maintenance.”

Parties involved:

Target company: Vapé Rail International (Stéphane Brunet)

Company legal advisors: CVS Avocats (Pierre-Jean Ferry, Fanny Vibert)

Investor: Bpifrance (Vanessa Giraud, Anne-Sophie Serre, Charlotte Fadlallah)

Investor legal advisors: Joffe & Associés (Thomas Saltiel, Paddy Pascot)

Financial Due Diligence: Oderis Consulting (Julien Passerat, Paul Locatelli, Sarah Foessel)

Debt provider: Banque Populaire (Gael Briset), CIC (Philippe Faye)

Seller: MFGI (Michel Fraisse, Alexandre Chotteau)

Seller legal advisors: Lamy Lexel (Vincent Médail)

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About Vapé Rail

Vapé Rail is an SME specialising in plastic injection parts for the railway industry for more than 30 years. Historically, the very first anchoring systems in France were designed for the development of the high-speed train (TGV) and were an original means of fixing rails to railroad ties. Looking for growth in an innovative trend, Vapé Rail designs systems breaking new ground for railway regeneration.

For more information, please visit: <http://www.vaperrail.com>.

Vapé Rail is currently working on new projects in each of four business units (maintenance, fastening systems, connected objects and railroad environment).

About Bpifrance and Croissance Rail

Bpifrance is the French national investment bank. Bpifrance's equity investments are carried out by Bpi Investissement. Bpifrance finances businesses – at every stage of their development – through loans, guarantees, equity investments and export insurance. Bpifrance assists companies with their innovation and international projects. It also provides export services through a large range of products. Consultancy, training, networking and acceleration programmes aimed at startups and SMEs are also part of the offering to entrepreneurs. Thanks to Bpifrance and its 48 regional offices, entrepreneurs benefit from a local, unique and efficient contact person to help them meet their challenges.

For more information, please visit: www.bpifrance.fr and presse.bpifrance.fr - Follow us on Twitter: @Bpifrance - @BpifrancePresse

Croissance Rail is a €40 million investment fund dedicated to the railway industry and backed by Alstom, SNCF, Bombardier, RATP and Bpifrance. Founded in 2013, this fund assists French SMEs who supply the leading railway clients with investment tickets from €1 million to €6 million. It is managed by Bpifrance Investissement.



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