

EDITORIAL

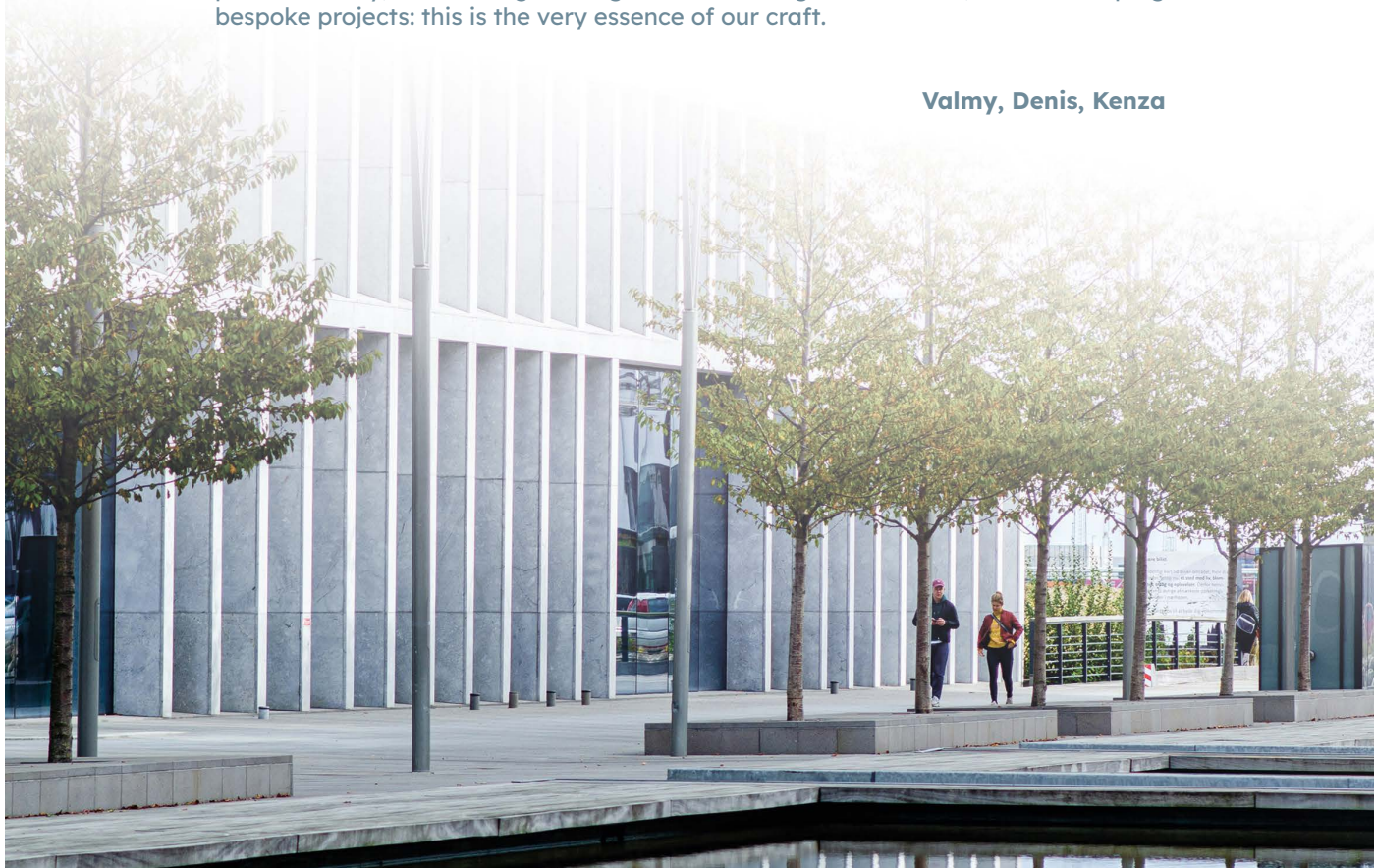
In turbulent times, opportunities emerge

In an economic and geopolitical environment marked by uncertainty—political tensions in France, international instability, and Washington's protectionist measures—markets remain under pressure. M&A activity is declining, assets for sale are scarce, and financing is tightening in the mid and large-cap segments, reflecting this period of hesitation.

However, in the small-cap segment, the market is showing signs of recovery, with a renewed flow of quality opportunities and ongoing transactions. ARLANE's portfolio companies exemplify this trend: led by agile, committed, and innovative managers, their outperformance forms a solid foundation for high value-creation operations.

More than ever, as great intermediated opportunities become rarer and attract many investors, direct sourcing takes on its full meaning. Identifying the right partners early, co-building strategies with management teams, and developing bespoke projects: this is the very essence of our craft.

Valmy, Denis, Kenza



FOCUS

Real estate a strategic lever for SME growth

As a small-cap investor, our role is both to optimize financial value creation and to support the growth of companies, retain teams, and attract talent in regional SMEs. In this context, real estate can also serve as a flexible strategic lever to enhance operational performance, strengthen brand image, and provide essential agility in response to market changes.

The first challenge real estate can address is that of physical and productive growth. When business activity accelerates, it becomes essential to increase capacity rapidly without compromising the existing organization. ATI Industrie, for example, faced a tripling of its order book in 18 months, from €10 million to €30 million, and seized the opportunity of an adjacent site by acquiring a subcontractor in bankruptcy. Instead of relocating, the company simply crossed the street, ensuring team continuity and ramp-up without production disruption.

In the case of Eliis, growth manifested in international expansion and a doubling of staff—from 50 to 100 employees—partly at its Montpellier headquarters, the strategic hub for innovation and R&D. The real estate response was the purchase and renovation of its own premises, providing a strategic, long-term headquarters to support global development. Beyond usage, property ownership can become a strategic weapon. Being an owner allows for quick decisions and independent action, without dependence on a landlord. This choice enhances efficiency and also improves EBITDA by removing rental costs. Profitability and thus valuation can be increased under certain conditions, especially when acquisitions are made on favorable terms or opportunities.

In other cases, acquiring or relocating to larger rented premises is not always the most relevant solution. Some businesses require greater flexibility for growth. This is the path chosen by Sprinter, a specialized distribution company, which opted for flexible subleasing in line with its activity levels.

This model allows it to progressively adjust storage space according to needs, avoiding heavy investments, the operational disruption of relocation, and the rigidity of traditional leases. Similarly, Arthur Loyd, itself a player in the real estate sector, observes that pure coworking sometimes emerges as the most agile solution—for instance, in Paris, where space can be adjusted quarterly without long-term commitments to match activity fluctuations.

Finally, real estate can become a vector of image and attractiveness, both for clients and talent. Imprimerie du Marais offers an emblematic illustration. By consolidating its artisanal workshops into a single space conceived as a living showroom, it not only optimizes its workflows but also strengthens its premium positioning and provides clients with a co-creation environment that meets the luxury industry's exacting standards. In the same way, ATI Industrie and Eliis have incorporated the importance of a high-quality working environment into their real estate strategies, fostering employee retention and projecting a strong image to partners.

These five examples demonstrate that a real estate strategy aligned with a company's concrete needs—growth, attractiveness, agility, valuation, and brand image—can create value far beyond the square meters themselves.

SPOTLIGHT ON A PORTFOLIO COMPANY

Resisting and outperforming

The example of Léopold and how to reinvent the organic market in crisis

With a rigorous selection process—around 150 opportunities reviewed each year for only one or two investments executed—ARLANE partners with solid companies led by agile teams. These high-performing companies, which thrive during growth periods, are also capable of demonstrating resilience in any circumstance. Such is the case with Léopold, a network of 25 organic grocery stores founded in 2008 by Benjamin Quiras.

In an organic sector hit hard by inflation and declining purchasing power, Léopold experienced two challenging years. The team's response? A profound transformation: repositioning the product offering (reducing the number of items, introducing entry-level ranges), modernizing loyalty tools, improving in-store engagement, and refocusing on local partnerships.

Store managers—the cornerstone of the model—are at the heart of the project: training, collective coaching, and close ties with local producers via multi-year contracts secure the entire value chain.

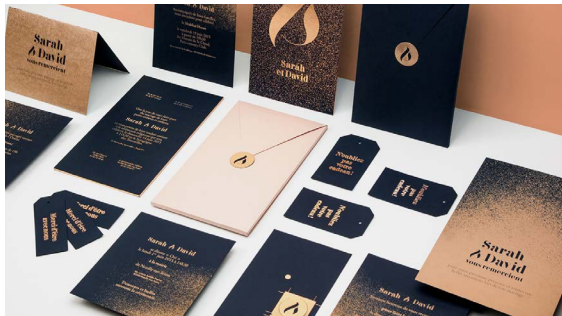
Since 2024, growth has returned. Léopold continues to innovate: e-commerce, revamped fresh food sections, diversification into non-food products, and especially a 900 m² concept store in La Rochelle combining food service, wellness, and lifestyle offerings, which is performing very strongly.

Léopold perfectly embodies ARLANE's mission: supporting entrepreneurs capable of reinventing themselves.



Portfolio updates

Imprimerie du Marais at the Hermès Foundation's "Academy of Expertise" conference



Mélody Maby-Przedborski, Development and Communications Director at Imprimerie du Marais, participated in the Hermès Foundation's "Academy of Expertise" conference, which biennially brings together professionals and artisans to explore universal materials through innovation, experimentation, and eco-responsibility. The 2025 edition focused on paper, and a video of her workshop presentation will be available in September.

Arthur Loyd's 8th Attractiveness Barometer

A benchmark for assessing French metropolitan appeal, Arthur Loyd has released its 2025 rankings for large, medium, and small cities. Drawing on 75 indicators (economics, quality of life, connectivity, social), the study ranks 50 urban areas and analyzes trends shaping their dynamism.

This valuable tool for decision-makers, public officials, and media confirms Arthur Loyd's leadership in territorial dynamics, despite multinational competition.

FUND NEWS & SAVE THE DATE

IPEM conference

The next edition of IPEM – International Private Equity Market – will take place at the Palais des Congrès in Paris from September 24–26.

You can already schedule meetings with our team attending the event by contacting Catherine Denis at: 01 58 56 25 24.

Reminder of ARLANE III's Investment Strategy

ARLANE III's investment strategy remains identical to Vespa I and Vespa II:

- Regional SMEs with revenues between €10M and €50M
- Investment tickets between €10M and €20M
- Majority LBO and OBO primary transactions
- Direct contact with managers and business owners for low or non-intermediated opportunities

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