

REASON AND OBJECTIVE OF CESSION

- Altifort Group, owner of FCT, has been placed in Receivership, last July, due to serious financial difficulties.
- Due to low visibility after Q2 2020 and without possible support of its holding, FCT has also been placed in Receivership in October. The objective is to find a partner able to acquire FCT and complete the turnaround process.
- Additional information can be communicated upon execution of a Non-Disclosure Agreement ("NDA"). Any interest or questions regarding the proposed transaction must be addressed exclusively to Frédéric Abitbol, Receiver, at the below email address. Current deadline for offer is 8th January 2020.



CONTACT

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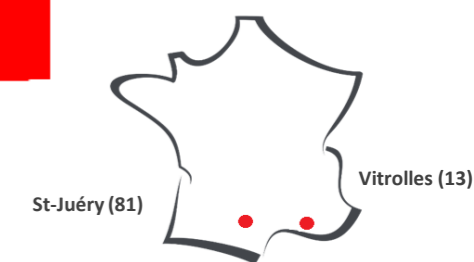
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ABITBOL &
ROUSSELET

ACQUISITION OPPORTUNITY,

under Receivership, of a French experienced Trunnion Mounted Ball Valves manufacturer mainly dedicated to the Oil and Gas industry.

FCT



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COMPANY OVERVIEW

- Formed by the merger of several valve brands (IVC, SDT, Mapegaz, Cipeg) that have served the oil & gas, energy, chemical and marine industries for over **40 years** and delivered more than **130 000 valves**.
- FCT is an **autonomous business unit** and fully owns and operates its up to date production plant with machining, welding, coating and testing capabilities, in a 15 400m² shopfloor.
- This allows FCT to provide complex and fully **customized solutions** with premium engineering. FCT's product portfolio suits for **critical applications, large sizes, high pressure classes**.



- FCT offers services: valve refurbishment and upgrade, site support, supply of spare parts.
- FCT started to diversify its activities proposing manufacturing of complete systems & special test services.
- FCT forecasts €28m revenues in 2019, €15-20m revenues in 2020 of which €10m in backlog.
- FCT currently employs 126 people.

OVERVIEW OF FCT CAPABILITIES

MANUFACTURING

- Machining : milling, turning, drilling, CNC machines
- Welding : TIG/MAG/SAW units, Nickel alloys overlay
- Heat treatment: one large furnace, induction system
- Anti corrosion coating with 5 painting and sandblasting cabins, thermal spray aluminium
- Assembly with **lifting up to 100 tons**

MAIN SITE CERTIFICATIONS

- ISO 9001, API Q1 - Quality systems
- ISO 14001 – EHS systems
- OSHAS 18001 – EHS systems
- API 6D , 6A, 6DSS – Products
- SIL 3 - Products
- ISO 3834-2 - Welding

TESTING FACILITIES

- Pressure tests with water, gas, oil **up to 2 000 bars**
- Torque measurement up to 100 000 N.m
- Temperature tests, -100° C + 400 °C
- **Special Tests:** fugitive emission tests, endurance tests, submerged and hyperbaric
- Extensometry possibly combined with FEA

MAIN WORKFORCE CERTIFICATIONS

- Cofrend II - Liquid Penetrant, Magnetic Particle, Tightness
- ACQPA/Frosio Level III, II, I (coating)
- Welding Engineer IWE
- Functional Safety engineering IEC 61511
- Project Management PMP & CAPM

KEY INVESTMENT CONSIDERATIONS



01 Industry-wide recognized brand

- For the past 40 years, FCT's valve brands have been widely recognized as **industry-leading**.
- FCT benefits from a strong reputation with its customers to meet **most demanding technical specifications**.

02 Experienced and loyal team

- FCT has developed a **committed and knowledgeable workforce** strongly bound to the company. FCT staff is certified at the top level of the industry standards.

03 Diversification

- Servicing activities are now being developed, with a **high potential growth**
- First prospection of new business, linked to pressure testing, manufacturing of large and heavy systems have given promising contacts

04 Strong customer relationship

- FCT has maintained long term relationships with key customers as a **Tier 1 supplier**.
- FCT is qualified by **most of the O&G majors** and part of their vendor lists.
- FCT can manage wide range of orders from single valve to large projects of complete platform



TURNAROUND STRATEGY IN PROGRESS

Turnover & Drivers

- Declining revenue since 2012 with a 2017 low point at 25 M€ due to O&G crisis
- 2018 revenue exceptionally low due to divestment plan of FCT
- Drivers 2016-2018:
 - Dissolution of FCT dedicated Sales team
 - Lack of investments on products development and supply chain leading to decrease of competitiveness

Strategic Turnaround plan & Achievements

- Plan over 2 years to restore presence and revenue in O&G markets and to diversify 40% of the revenue on other markets.
- Specialized FCT Sales team and global presence with local agents >> Done, operational
- Dedicated team to develop new business and generate new revenue >> Team in place, first revenue collected
- VAVE on main product lines: target -25% cost with equal performance >> Started 70% complete
- Investments to upgrade pressure tests capabilities >> 50% already operational