

# France

## Leading Europe's green and digital revolutions

As it emerges from the most severe health and economic crisis in recent memory, France is poised to lead a new European revolution. Having already made major strides in service economy growth and digital development prior to the pandemic, France is capitalizing on the opportunities offered by the Covid-19 crisis to advance one of Europe's most forward-thinking and ambitious development agendas.

Billions of investment is being channeled into an unprecedented economic transformation, and investors are flocking. Under the leadership of President Emmanuel Macron, France is at the forefront of the most profound transitions Europe has undergone since the end of the Cold War. The future will be digital, and it will be green.

Macron swept to power in 2017 on a pro-business reform agenda, and he remains committed to transforming the French economy. Spotting the enormous opportunity the Covid-19 pandemic presents, Macron launched his ambitious France 2030 development agenda last month. This €35 billion plan aims to transform France into a world leader in nuclear and green hydrogen power production, and to help it become Europe's top digital economy. There is no time to waste, he argued:

"We must rebuild the framework for productive independence for France and Europe. Innovation will be key amid global competition for leadership and access to raw materials. The winner takes all. We must wage the battle of innovation and industrialization at the same time. We need a country that produces more."

As the world's fifth-largest economy and Europe's second-largest consumer market, France already



occupies an important global position. Its economic fundamentals are solid; France is a major producer of aircraft, pharmaceuticals, vehicles, and agricultural products which have also pushed it to become the world's fifth largest exporter. A strong production base is underpinned by a strategic location at the heart of Europe, excellent infrastructure, and high levels of productivity, according to Jean-Louis Bouchard, representative of Econocom International BV and chairman and CEO of ECONOCOM: "For me as an entrepreneur,

communication tools are good in France, the infrastructure is great, education, and housing are both superior compared to other advanced economies. We've become a lot more open over the previous 50 years, and furthermore, France occupies a very important place in Europe. We're at the crossroads of many countries, which gives us an advantage in understanding our neighbors. Geography is important."

Domestic production has been steady despite severe external headwinds, and the United Nations Conference on Trade and Development reports that France's merchandise exports maintained a broadly positive trajectory between 2005 and 2020, hitting \$488.35 billion last year. As Louis Le Duff, founder and CEO of Group Le Duff explained, The French reputation for top-quality exports has served it well on the global stage:

"Adaptability has been the key to our success, as has the quality and health in our plates, and France is a country that embraces these principles. France is known for quality, which has really helped our brand, particularly in the American market."

Anvaraly Jiva, chairman of Linedata Services, echoed these sentiments, emphasizing the high quality of life as a major growth enabler: "The location of France is central,

and it is one of the most promising countries. We can speak a lot about B2B and B2C, but at the end of the day it comes down to the individuals doing the work, and this is where France shines. People that come to France love the country. All the components of making France great are there. Our people are very highly-skilled and very hard workers."

This is reflected in the country's impressive service export receipts, which jumped by 57% in the 15 years to 2020 to reach \$245.6 billion in 2020. For Joël Séché, chairman of Séché Group, the country's human capital has given it the most significant competitive advantage in the service economy:

"French people are welcoming, humble and in good spirits. People travel a lot and are more open minded. The education is very good. The government is going in a good direction. We are good in terms of knowledge, expertise and standards. We are welcomed everywhere we go because of this reputation. To be French is a good thing for this company."

From biotechnology to start-ups, the French service economy is booming - and investors have taken note. According to the latest EY Attractiveness Survey, France was the most attractive country in Europe for foreign investors in 2020, for the second year in a row.

Drawn in by Macron's pro-business agenda, as well as €100 billion in planned recovery spending, foreign investors established 985 new projects and created 30,558 new jobs in the country last year, putting France ahead of both the UK and Germany.

Life sciences and e-commerce were particularly popular for investors, which should come as no surprise: In addition to one of Europe's most forward-thinking green transition plans, Macron is pursuing a doggedly pro-innovation development agenda with a strong focus on tech and start-ups.

He has pledged €7bn to support digital economic growth in key sectors such as AI, cybersecurity and quantum computing, while other support mechanisms have included corporate

tax credits, which were valued at €1.5bn in 2020, as well as €2bn of state guarantees for Bpifrance, the public actor for start-up funding.

The country is already making major strides in innovation: Paris overtook Berlin to become continental Europe's top destination for start-up venture capital funding last year, with total VC funding in France jumping by 27% year-on-year to hit \$5.3 billion.

With GDP growth set to hit 6.8% in 2021 and 4% in 2022, the country will benefit from a visionary strategy while continuing to play to its existing strengths, as Macron highlighted last month:

"If I look at our country, we have real strengths and assets, in the face of the major challenges of the crisis. We are a complete country, present on all continents, a historical productive force, we have an ability to invent, we are a great agricultural, agri-food, industrial and creative power. A power that has historically been able to innovate. We are a country of creators, it is in our DNA."

## Séché Environnement - A pioneer of the circular economy

Global concerns about climate change are rising, as are fears about the protection of biodiversity and the ecological transition. Goldman Sachs reports that we produce 300 million tons of plastics and 50 million tons of electronic waste annually. The circular economy and waste management will play a critical role in supporting the green transition, meaning firms like France's Séché are set to have a transformative impact, driven by increasingly stringent environmental regulations.

Established in 1985, Séché is a major player in France's circular economy listed on the Paris stock Exchange, and leads the way in industrial and hazardous waste management. The independent family business has built a rock-solid reputation for deep expertise in waste management processes, decontamination, and environmental emergency services because it has always sought to incorporate the best and most innovative practices. This began before the company was even formed, when founder and Chairman Joël Séché visited dozens of waste management sites around the world to learn the best and most successful practices, as he recounts: "I took all the existing norms and



doubled them to meet the highest environmental standards. This is how the reputation of a serious and trustworthy company was made. We were among the first in the world to obtain ISO 14001 environmental certification the same year it was created in 1996. Waste is treated according to traceable and multi-certified processes, which allows us to guarantee operational excellence to our customers."

Today the group owns and operates more than 100 sites in 15 countries around the world, and is rapidly expanding. It offers recycling and energy recovery solutions for both hazardous and non-hazardous waste, with unparalleled expertise in the treatment

of industrial waste. For instance, Séché created a loop to recover rare resources such as bromine out of hazardous waste and is a key player in the chemical and pharmaceutical solvents recycling markets.

Innovation is in its DNA, meaning research and development will remain the lynchpin to Séché's success in the future. Having already established a reputation as trusted partner, Séché plans to intensify its R&D efforts in the future to ensure it maintains a competitive advantage, as CEO Maxime Séché explained:

"Given the importance of decarbonization and biodiversity, R&D is critical both for our clients and for Séché, who has always been at the forefront of ecological transition. Innovation allows us to meet the challenges faced by industrial and governmental clients with tailor-made solutions: we create new circular economy loops to secure the supply of rare materials, help our clients reduce their carbon footprint by producing local energy from waste, and provide emergency response to environmental disasters. All of this is innovation, and this is the future of the company."





# Schmidt Groupe

## Industrial artisans with a global sustainable reach

After more than a year of inward-looking pandemic life, the home improvement market boom shows no sign of slowing. Top-quality kitchen retailers are benefitting from a wave of new growth: the global kitchen furniture industry, for example, was valued at \$30.7 billion in 2020, and forecast to grow by nearly 20% until 2025 to hit \$36.8 billion. In France, growth in this segment will exceed the global average, with industry revenues set to hit \$3.14 billion in 2025. The country's leading kitchen retailer and exporter, Schmidt Groupe, is about to realize its global aspirations.

For nearly 90 years, Schmidt Group has been setting the standards for kitchen retailers and manufacturers. It has recorded uninterrupted growth since 1934 because of its sharp focus on choice, trust, and sustainability - as well as its high-quality products. These values have carried it through some of the most tumultuous decades of human history, with the group growing from a simple masonry business launched by Hubert Schmidt in Saarland, to become a world leader in kitchen manufacturing and retailing. This is not a B2B company, as CEO Anne Leitzgen explained, it's H2H - human to human - because of the way in which Schmidt works with thousands of clients, many of whom are independent retailers.

"We decide together with the retailers on what model to produce tomorrow, what kind of sustainability we should pursue, where the brand is headed. It's much better to have an independent owner, as he will be an entrepreneur. He is going to fight to improve the model, to find sales people, to ensure customer satisfaction. If you want to scale faster, it's easier to rely on independent people," she said.

Through its two core brands, Schmidt and Cuisinella, Schmidt Group is a dominant manufacturer and exporter both in France and abroad. With the bulk of its business operating via franchises, the group's portfolio has grown to comprise 790 showrooms, seven factories, 210,000 square meters of covered space, and 730 stores located around the world, in addition to 1000 stores located in China via a joint venture.

This makes Schmidt the world's largest franchise in independent retail, and quite possibly the world's largest kitchen retailer. The group now employs 1770 people directly, as well as 7000 via franchises,



Anne Leitzgen  
CEO - Schmidt Groupe

and records €1.7 billion of turnover globally each year. Global demand for its products is rising, and it is set to remain on its uninterrupted growth trajectory.

The positive forecast is at least partially owing to Schmidt's longstanding emphasis on sustainability. As early as 2010, the group received an eco-label certification from the Program for the Endorsement of Forest Certification, and it has been an early adopter of sustainable business practices.

In 2015, for example, it received the ISO-50001 certification for energy management, and today it is the only company of its kind holding all six ISO certifications. In 2016, the group was awarded the Responsible Supplier Relations label, which is

granted by the French government to domestic companies in recognition of the sustainable and balanced relations they have with their suppliers.

But it's not just awards and certificates; Schmidt truly believes in walking the talk. All of its timber comes from controlled sources, company investments that cut energy consumption are fast-tracked, and the group uses responsible, recyclable materials wherever possible. "For us, sustainability is a very important point. It will be a very important way of doing business in the future. We have to have good trained people and we have to respect them. Sustainability is a great business for tomorrow, and employees are very happy to be involved," said Leitzgen.

Looking to the future, Leitzgen is seeking to further diversify the group's operations with new partnerships, exploring all avenues for cooperation. This could include new joint ventures like the one it has in China, which has been so successful that the Chinese market now accounts for 10% of company turnover. Schmidt is already one of France's top exporters; next up it wants to become a truly global manufacturer with a larger international footprint.

"We have a very special know-how in production, in how we manage data from the market to the industry and in how we deliver the product. I believe it could be interesting to have joint-ventures with other industries where they need another way of producing, and where efficiency is important. Our production is mostly logistics. There are many industries where this could this be applied," Leitzgen concluded.

Schmidt  
GROUPE

# Laboratoires Théa - A vision for the future

A crucial pillar of the French economy, exports have risen sharply in recent years: according to the United Nations Conference on Trade and Development, French merchandise exports jumped by 23.2% between 2005 and 2019 to hit \$571.2 billion. Pharmaceuticals form an important component of the export base, with the industry generating an estimated €30 billion of export revenues in 2019, and demand is set to rise as a backlog of non-essential patients return to clinics and hospitals. Leading ophthalmology firm Laboratoires Théa will reap the rewards.

Laboratoires Théa is a young company with a long history. Though it was founded in 1994, its earliest origins actually date back to 1870 when Paul Chibret, an ophthalmologist based in Clermont-Ferrand and founder of the French Society of Ophthalmology (SFO), developed an interest in the eye disease trachoma and began researching treatments. Five generations of ophthalmologists, pharmacists and entrepreneurs later, the Chibret family continues his tradition, as President Jean-Frédéric Chibret explained: "My family has specialized in ophthalmology for 150 years. What is very important in our company is that we are still family owned and run, an independent company. We are 100% dedicated to ophthalmology.

Today, Théa is the leading independent eye care group in Europe, recording over €600 million in annual turnover, 75% of which is exported outside France, and with more than 30 offices and affiliates scattered across Europe, Ukraine, Russia, North Africa, North and South America. It employs more than 1,500 people globally, and its products are available in more than 75 countries. It sells medication, treating everything from allergies, conjunctivitis, pre and post cataracts, dry eye, and glaucoma.

"To be family owned and run, and fully focused on one domain is a key advantage in terms of strategy, consistency and long-term vision," said Jean-Frédéric Chibret. "As the only shareholders, we can reinvest the profits of the company to develop new products, new countries, and this makes a big difference, especially in the pharma industry where development is a very long time process."



Jean-Frédéric Chibret  
Chairman - Laboratoires Théa

Théa has a strong track record in innovation in ophthalmology. Today, Théa offers eye care professionals one of the most modern and complete ranges in ophthalmology.

"We were a pioneer in developing preservative-free products in 1994, opened new markets like eyelid hygiene, ocular nutrition, intracameral antibiotics and mydriasis in the field of cataract surgery. We also brought major advances in fields like glaucoma, dry eye, infection and antibiotics. The objective for the coming years is to maintain our leadership by continuing to innovate in our traditional ophthalmic classes and also to enter new markets such as retina and orphan drug diseases" says Jean-Frédéric Chibret.

For this reason, in 2019 Théa established Théa Open Innovation, a sister company that works to accelerate innovation through partnerships with biotechnology firms, universities, and ophthalmologists in the early stages of new projects. The goal is to develop new products.

Théa made major inroads into this fast-growing segment in the last 18 months.

"We have signed several partnerships with companies such as the Korean, Olix or the Canadian company, Ripple in different retina diseases, the US based Nevakar in the prevention of myopia, and the French biotech Coave, specialized in gene therapy, with whom we will develop a product for retinitis pigmentosa.

Through our strong history, our reputation, our recognized expertise in the field of the eye, but also our ability to mobilize quickly around a project, we wish to become the reference laboratory for all those who innovate and want to develop new concepts and treatments of the future in the field of ophthalmology."

Regarding Théa's international expansion, entering the US market is the next objective. For two years, the French company has already laid solid foundations. A team, based in Lexington (Massachusetts), is actively preparing the arrival of a range of products that should be available from 2022. "I think the USA is of course a big step, while continuing to develop Europe, where Théa are now the number one ophthalmic pharmaceutical company, and our existing countries" he concluded.

Théa  
let's open our eyes



## Groupe Le Duff - Taking French cuisine & bakery to the world

Praising France's "large, wealthy, and diversified economy", "strong and effective institutions", and "record of macro-financial stability" ratings agency Fitch affirmed the country's high-grade rating in May 2021. Fitch noted France's deep and liquid capital markets and eurozone membership as assets.

While business leaders admire France's economic strengths, to the general public the country is seen as the home of the world's finest cuisine. There is a synergy between the two - France is Europe's largest agricultural food producer, while commercial restaurant chains alone generated \$17.5bn in annual revenue before the covid-19 pandemic.

Groupe Le Duff is one of France's top three restaurant and agri-food business groups- and it has achieved all this within a generation. "Le Duff is first and foremost an entrepreneurial adventure that I began in 1976," says founder and CEO Louis Le Duff. "Over 40 years, we have gone from zero to being a \$2.3bn business in 2020, all while remaining entirely independent and founded on the credo of high-quality, healthy dishes." The Group works its recipes with renowned Chefs such as Sebastien Canonne (Chicago French School of Pastry), Frédéric Lalos, Best Craftsman of France (MOF), Maison Lenôtre and Pierre Hermé, World's Best Pastry Chef in 2016 (by the World's 50 Best Restaurants).

Le Duff's humble but formative start in the catering trade was working on a crepe



stand in New York in 1970 while a student at Columbia University. The following year, he set up his own stand. Now the entrepreneur is targeting \$5.2bn sales globally by 2025, with investments of \$175m annually.

The company has two main business areas. Its food service division has 1250 outlets worldwide through coffee-bakery brands such as Brioche Dorée, Kamps (Germany) and cafe-restaurant chain La MADELEINE which offers French cuisine in the United- States and North America (offices in Montreal and Dallas).

Le Duff's agri-food business consists of BRIDOR, a worldwide leading producer of premium frozen bakery and pastry products based

in Philadelphia, Montreal, Beijing and France, serving over 45 000 luxurious hotels and restaurants ;and Gourming, which offers organic ready-made dishes following traditional French recipes .

The company is also a human adventure with its credo "People are our greatest asset".

The Group actively recruiting new franchisees for its restaurants worldwide, particularly in the United States and Europe, an opportunity that Le Duff sees as ideal for budding entrepreneurs.

"You are ten times more likely to succeed with a good franchise than you are to fail," he says. "The franchisee is their own boss, while benefiting from more security, profitability, and autonomy."

Franchisees also benefit from the strategic leadership of Groupe Le Duff, which achieved a hugely successful business pivot after drop in sales given the pandemic.. The company's restaurants switched to reduced menus and a greater emphasis on takeaway, which rose from 20% of sales to 56%, while the agri-food businesses added focus from high-end hotels to premium supermarkets. "We had to change the packaging, how we worked, our mentality," says Le Duff. "And today we continue, with new methods, new technology, and agile innovation."

Groupe Le Duff's success is founded on taking French cuisine to the world, while remaining rooted in its dynamic homeland. "France remains highly attractive to foreign investors," says Le Duff. "France is a land of innovation and entrepreneurship as well as being a great place to live."

## Linedata - Driving digital transformation of financial services

Digital transformation continues to accelerate for financial institutions around the world. Covid-19 provides hard lessons about the importance of digital capabilities, and firms are rushing to update their operations. This trend is paying dividends to software and data analytics firms: the global data analytics market is valued at \$24.6 billion today, and projected to grow by 25% annually until 2030, while the global enterprise software market is now worth a whopping \$227.7 billion, and expected to grow by more than 7% annually until 2026. Linedata, a leading French software and data analytics firm, is ready to expand its global footprint.

Founded in 1998, Linedata is a multi-faceted provider of distinctive software, valuable data analytics, and services ranging from hosting to business process outsourcing. According to founder and CEO Anvaraly Jiva, the company is trusted by top financial services companies and has a long track record of success because of its core focus on three areas: strong client relations, accelerated innovation, and new product offerings. This has kept it profitable, sustainable and innovative during a period of rapid technological transformation, he explained: "When I started the company over 20 years



ago, our goal was to be global, independent and sustainable. This is still true. We are operating in 50 countries, and we still have more to do in Asia, Africa and Americas. Sustainability and independence are connected; with solid financials, you can invest in long-term plans. With independence, you enable sustainable growth.

Linedata has grown from 76 employees and €11 million of annual turnover to a listed firm with more than 1100 employees and 700 clients across the world. Through its two core markets - asset management and lending and leasing - it is a truly modern company with unbridled growth potential.

The new context offered Linedata the opportunity to accelerate its own transformation and invest more heavily in research and development, which will help it ride a new wave of global growth. Demand for its many services is rising worldwide, and Jiva is continuing to acquire and partner with innovative companies in its two core markets. The business case for this strategy is strong: Linedata's profits have been climbing steadily, as has its R&D budget, and the company's growth outlook is bright: "Our clients continue doing business with us because they trust our service and our proximity. They believe we are the right partner in terms of technology. I'm confident these clients will continue using our products, and they will attract new names to us," he concluded.



## Econocom International BV

### Helping European companies pursue digital transformation

France's economy is back on track, and is expected to grow by 6.3% in 2021, according to the International Monetary Fund (IMF). At the same time, the country is channeling resources into new technologies and digital transformation. In October, French president Emmanuel Macron outlined a five-year, €30bn investment plan that would help to boost the country's high-tech industries.

This has benefitted digital software providers, who were already seeing a boost from pandemic-related business needs. "We're a general digital contractor, and now everything has become digital and is linked," says Jean-Louis Bouchard, chairman and chief executive of Econocom International BV, a Belgium company strongly present in France that conceives, finances and facilitates the digital transformation of large firms and public organizations.

Bouchard started the group back in 1973, and since then it has expanded rapidly. Econocom now operates in 18 countries, and is the only European contractor to cover all trades of digital technology: equipment, services and financing. The company has revenue of around €3 billion, and is on course to grow to around €5 billion over the next three years.

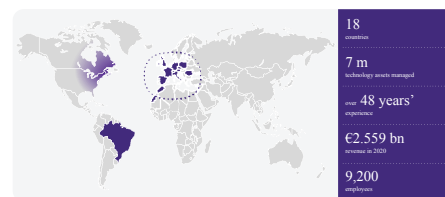
Bouchard says that pandemic has had a big impact, but from a business perspective it's

been mostly positive for Econocom, with many companies forced to contend with large-scale remote-working. "There was a real boost in the whole industry. There's a large volume for equipment, large demand for support and there will be a large demand for financing too," he says.

More than ever, customers need help to handle their digital equipment, choose hardware and software, implement their systems, and finance and keep them running. "And then they need people to refurbish it and give it a second or third life," Bouchard says. From the beginning Econocom has been a strong proponent of the circular economy, with CSR a key part of its DNA.

The Group has also been listed on the Brussels stock exchange since 1986, but Bouchard says that he's now considering de-listing, in order to be less beholden to short-term stockholder

Econocom, Europe's first digital general contractor



needs. "Often the next three months are not that important, you're looking much further," he says, highlighting a significant, 10-year contract they signed with the French navy earlier this year.

Econocom is also very supportive of the image of France as a business hub. "I feel we're very lucky, I love my country and think I was gifted to have a good education, a powerful health system," says Bouchard. "We're also much more open to foreign people than 50 years ago, there's been a big change. We're a crossroad of many countries, which gives us an advantage to understand our neighbors."

## SERFIM Group - Vision and values first

The third biggest economy in Europe and the seventh biggest in the world, according to the International Monetary Fund, France is a global economic powerhouse. For centuries one of the globe's wealthiest markets and leading trading powers, the Western European country continues to lead the way in international investment.

These strengths have led to France developing the world's fourth-largest building and civil engineering industry, according to a 2019 report by Deloitte. The sector is worth upwards of €220bn, the French Building Federation estimates.

Established in 1875, family-run SERFIM Group has a long and proud track record in the field. While expanding in France and internationally, it has remained grounded in its long-standing values and identity as an independent, family and employee-owned company.

"We are proud of our independence, which allows us to prioritise vision and human capital over purely financial interests," says SERFIM chairman Guy Mathiolon. "Our business is based on respect. We respect our people and we invest in our people. We respect our clients and we innovate with them. And we respect the environment."

SERFIM Group is now a diversified holding company, with around 50% of its business coming from public works, including electrical networks, district heating, water systems, road construction and bridges and tunnels



maintenance and repair. Environmental work accounts for around a third of business, including site remediation, recycling, water treatment and renewable energies production. The holding also has an expanding digital activity, including road traffic technology and the internet of things, as well as industry and real estate. With its expertise in a wide range of business areas, SERFIM has become a partner of choice for leading business including international cement group Vicat and materials manufacturer Saint-Gobain, as well as public-sector clients in France and beyond. Internationally, the company works as far afield as Vietnam, Mexico, and Spain, and is continuing to seek opportunities to form partnerships worldwide. "We want to go where we can bring added

value and expertise," says executive director Alexandra Mathiolon, Guy's daughter. "We are looking for partners that share our values and vision, and that need our support in the niches in which we are strong."

The holding's environmental business is a major area of focus, fitting with the company's ethos and global trends. SERFIM is an active member of a new association of 150 entrepreneurs pushing for faster environmental transformation within their own companies, and for politicians to take stronger action on climate change.

"I want growth that I can be proud of, that our employees can also be proud of, by bringing new environmental businesses that add value in reduced carbon and natural resources preservation," says Alexandra Mathiolon.

Born in Vénissieux, near Lyon almost 150 years ago, the family business has developed its activities throughout France and can now build on France's strengths as a global economic leader, as well as a trend-setter in green development.

"France is a pioneer in sustainable infrastructure," says Alexandra Mathiolon. "Here at SERFIM we are proud to be part of this, putting the environment at the heart of our business."

