

PRESS RELEASE

The World Saxophone Leader, Henri Selmer Paris, Is in Exclusive Negotiations with Argos Soditic, For a Change in Ownership

France, Mantes-la-Ville and Paris - January 10th, 2018 – The shareholders of Henri Selmer Paris, a family-owned company founded in 1885, world leader in the manufacturing of high-end saxophones, and major player in clarinets and mouthpieces, have entered into exclusive negotiations for an equity investment by the growth-oriented private equity funds managed by Argos Soditic.

Upon completion of this transaction, Argos Soditic would become the majority shareholder alongside some family members, and the management team. Jérôme Selmer, Chief Executive Officer of Henri Selmer Paris, will lead this new phase of development. The employees, who carry the heritage of excellence of the brand, would also have the possibility to invest in the company's shares.

Argos Soditic will carry out the investment without raising debt. Henri Selmer Paris will thus keep all its flexibility to invest in new projects and continue to serve the finest international instrumentalists, as well as enthusiastic amateurs.

Sustain and develop the company

This transaction is initiated and supported by the 55 shareholders representing the 4th and 5th generation of the Selmer family, all of them being descendants of Henri Selmer, the company's founder.

Jérôme Selmer, the founder's great-grandson who joined the company in 1982 and has held several positions including 25 years as head of research and development, was appointed Chief Executive Officer in 2017 and highlights that « *with Argos Soditic, we will be stronger and more agile to further strengthen our leadership position. Our aim is to continue our transformation and growth, with our skilled employees and distributors, in order to meet the expectations of a growing and international customer base.* »

Brigitte Selmer, Chief Executive Officer 2010 to 2017, who represents the interests of the family shareholders, added that « *our choice to enter exclusive negotiations with Argos Soditic is driven by our wish to have a powerful and trustworthy shareholder, who will continue to expand the Henri Selmer Paris brand worldwide. Argos Soditic is committed to developing the production of our outstanding instruments, coming from a high-end handicraft, and has the capacity to finance new development projects.* »

Louis Godron, partner at Argos Soditic, said: « *It is a great honour for us to be in exclusive negotiations with Henri Selmer Paris, an iconic brand in the field of music, which benefits from a "Made in France" know-how and from a world-class reputation. We are convinced of the growth potential of this manufacturing company in the context of reinforced competition on international markets.* »

A unique manufacturing know-how

In its 11.000 square meter facility in Mantes-la-Ville in the Paris area, Henri Selmer Paris manufactures high-end saxophones, clarinets and mouthpieces which require highly skilled labour with more than 100 manufacturing specialities. A saxophone is made of more than 700 pieces, and requires more than 2,000 operations to be manufactured, from the special copper-alloy plate to the finished instrument.

This handicraft know-how, traditional and unique, coupled with the capacity of innovation and the use of cutting-edge technologies (and several millions USD invested in R&D every year) are the backbone of the world-class reputation of Selmer instruments, whose sound is recognized by experienced musicians.

Distinguished musicians such as Charlie Parker, John Coltrane, Stan Getz played « Selmer » and their current successors continue to favour these outstanding instruments, alongside passionate amateurs such as former President of the United States Bill Clinton who brought a « Selmer » into the White House.

With its new range of high-quality clarinets, Henri Selmer Paris will intensify its efforts to grow vigorously in this segment.

In 2014, a new brand for saxophones and clarinets named SeleS has been launched to enlarge the customer base, in particular towards non-professional musicians, students at conservatories of music and music teachers.

A very strong international footprint

Henri Selmer Paris employs 500 people and had USD 40 million of revenues in 2017.

Henri Selmer is present in more than 60 countries, with only 13% of sales in its home country; it sells to a variety of distributors and merchants directly in touch with musicians.

Half of sales are in Asia, with strong positions in Japan and in China where the company benefits from the development of this market.

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About Henri Selmer Paris

Manufacturer of clarinets at its foundation in 1885, Henri Selmer Paris launched the production of saxophones as early as 1921, before taking over the workshop of Adolphe Sax in 1929, thus becoming the universal legatee of the invention of the saxophone. Henri Selmer Paris is today the global leader in the manufacture of high-end saxophones and a major player in clarinets and mouthpieces. Its instruments benefit from a prestigious brand all around the world. The most talented musicians play “Selmer” (Saxophone: Charlie Parker, John Coltrane, Stan Getz, Marsalis Branford, Claude Delangle...; Clarinet: Alessandro Carbonare, Philippe Berrod...).

About Argos Soditic

Argos Soditic is an independent private-equity group with offices in Brussels, Frankfurt, Geneva, Milan and Paris. Since its creation in 1989, the group has invested in more than 70 mid-sized companies (Enterprise Value ranging from 25 to 200 million euros). Its majority ownership investments range between 10 and 100 million euros. With 1.1 billion USD under management, the group develops a unique investment strategy on complex transactions focused on transformation and growth as opposed to leverage. Its entrepreneurial approach is characterized by close proximity with the management teams and by a strong support to implement their strategic projects.