



Press release

5 July 2024

DENTRESSANGLE Capital has entered exclusive talks to acquire Presto Engineering, a company specialising in designing and producing application-specific integrated circuits (ASICs).

- Presto Engineering, a French company based in Meyreuil, specialises in designing and producing application-specific integrated circuits (ASICs) for major players in the manufacturing, healthcare, automotive and telecoms sectors.
- Presto was founded in the United States in 2006 and had been owned since 2018 by Verto, which helped it set up its head office in France alongside locations in Denmark, the United Kingdom, the United States and Asia.
- Presto Engineering is Europe's leading one-stop-shop in the ASIC market, and its growth is being driven by the digitalisation of the economy and by the development of AI and the internet of things (IoT).

Paris, 5 July 2024 – DENTRESSANGLE Capital has entered exclusive talks to acquire Presto Engineering, a company specialising in designing and producing application-specific integrated circuits (ASICs) and providing integrated semiconductor services.

Presto has very strong R&D and commercial links with major foundries such as Globalfoundries, STMicroelectronics and X-Fab, and is the leading one-stop-shop in the **ASIC** market for its OEM clients. Presto has attracted a range of clients – which make vehicles and auto parts, as well as industrial and healthcare equipment and IoT devices – through a distinctive and independent offering that gives them a **single entry point to the whole value chain, through:**

- Unique technical expertise in a highly complex area of manufacturing as shown by its modular circuit platforms, which are genuine system-on-chip solutions.
- An integrated model that maximises large-scale production possibilities via in-house industrialisation and testing capabilities.
- A network of leading partners across the whole value chain, including silicon wafer foundries and OSAT (outsourced semiconductor assembly and test) companies.
- Innovation focused on client needs, particularly analogue and mixed-signal nanocircuits.

- Critical mass, allowing it to be a high-level partner to all participants in the supply chain and ensuring European sovereignty in this strategic sector.

Leading-edge expertise in ASICs

Presto is **a key partner to medium-sized OEMs that want to acquire and develop** their own **ASICs**.

It provides three types of service, from design to production:

- **Circuit design:** The client tells Presto what it needs and Presto designs the circuit so it can be made by the foundry. Presto uses its own library of elementary circuits, which it then customises as necessary. This saves time during the development phase, allowing clients to bring products to market more quickly.
- **Industrialisation of ASICs:**
 - Definition of the assembly and the enclosure
 - Definition of circuit qualification plans by segment
 - Definition of testing and interface characterisation programmes
- **Production:** Presto provides end-to-end management of all participants in the ASIC production chain (foundries and assemblers):
 - Production testing at its laboratories in France (2), Denmark (1) and Asia (1)
 - Management of yields and of the various costs of poor quality arising from volume production
 - Quality monitoring and client feedback
 - Management of logistics, particularly export checks, until products are delivered to clients

A buoyant market

Semiconductors are in demand because of the growing use of digital technologies in the economy. They are essential components in all industrial products and consumer goods, but also in critical transport and healthcare infrastructure:

- **Telecoms infrastructure:** 4G+/5G/6G radio networks, cloud computing and artificial intelligence, optical networks, low- and high-orbit satellite communications
- **Mobility/Transport:** electrification of vehicles, smart and autonomous vehicles, electronic tolls and traffic management, air transport
- **Manufacturing:** digitalisation, growing cybersecurity issues
- **Medical and healthcare:** diagnostic equipment and tools, ultrasound, X-ray and magnetic imaging, portable and smart patient monitoring devices, injectable and implantable devices

A European growth strategy

Shortages and supply chain issues that have arisen since the start of the 2020s have highlighted that **Europe and the United States are heavily dependent on Asia for the production of integrated circuits. The European Union, aiming to strengthen its sovereignty, has a €43 billion investment plan** to double Europe's production capacity by 2030.

With its operations in Europe (France, United Kingdom, Denmark), the United States and Asia and its **150 semiconductor experts**, Presto Engineering is ideally positioned to benefit from growth in the European market – worth €1.4 billion and set to grow by 7-8% per year – and become a leading player in it.

Accordingly, Presto will rely on its combined design, industrialisation and production capabilities to **increase its revenue to €60 million in the very near future**. It is targeting all large EMEA markets and North America through local hubs that ensure close links with clients, and it is aiming to bolster its ASIC design operations through recruitment and acquisitions. With DENTRESSANGLE's support, therefore, Presto is establishing itself as a platform for consolidation in Europe's ASIC sector.

Presto will continue to be led by Cédric Mayor (CEO since 2023), who is making a significant investment in the company alongside DENTRESSANGLE.

Cedric Mayor, CEO of Presto Engineering Group: "Presto, with the support of Verto, has become a well-known player in the ASIC market. I'm now delighted to begin a new chapter with DENTRESSANGLE Capital, an investor known for its ability to work alongside entrepreneurs to help businesses grow. This will allow us to speed up Presto's growth so that we can confirm our position as Europe's leading one-stop-shop in the ASICs market. We are committed to this ambition backed by our design expertise and our industrialisation and component production know-how to help our OEM customers innovate."

Thierry Coloigner, CEO of DENTRESSANGLE and Raphaël Feuillet, Director of DENTRESSANGLE Capital: "We are very happy to have entered exclusive talks to acquire Presto Engineering. The ASICs sector and the company's profile are exactly what we look for: a growing industry that is still fragmented, and an international company that is capable of becoming a genuine platform for growth and consolidation for the benefit of its customers and Europe's sovereignty in this industry. Under the leadership of Cédric Mayor, we can count on a team with acknowledged expertise that is capable of growing Presto so that it develops an unavoidable presence in the semiconductor sector."

Thomas Fort and Alexis Kemlin, Partners of VERTO: "This transaction represents the culmination of the growth and diversification strategy that Presto has been pursuing for more than five years. Under the leadership of its founder Michel Villemain and CEO Cédric Mayor, the company has undergone a major

transformation from a recognised player in ASICs testing to a European leader in designing and industrialising ASICs, and has significantly grown its customer base since 2018. We have been very happy to work with Presto and its teams during that period, and we hope that they continue to be successful in the future alongside DENTRESSANGLE.”

ABOUT PRESTO

Presto Engineering is an independent supplier of Application Specific Integrated Circuits (ASICs) and semiconductor component engineering and manufacturing services. From the initial concept phase through silicon foundry to final product delivery, Presto Engineering helps its OEM customers innovate and differentiate through the use of semiconductors in their own products, while reducing risk and accelerating time-to-market. Backed by its intellectual property, Presto offers unique expertise and more than 35 years of proven experience in the design and industrialisation of ultra-low power circuits for radio frequency connectivity applications, sensors, high-quality analogue or mixed-signal acquisition and secure cryptographic applications. Headquartered in Meyreuil, Presto Engineering has about 150 employees worldwide, with operational facilities in Europe, North America and Asia. <https://www.presto-eng.com/>

ABOUT DENTRESSANGLE

DENTRESSANGLE is a family-owned investment holding company with net asset value of €3.3 billion. It has two main areas of activity: business investments (long-term majority investments, venture capital via the Hi Inov fund, diversified management with DGO) and real estate (logistics and office properties). The holding company is wholly owned by the Dentressangle family and holds controlling stakes in around 10 companies including equipment rental company Kiloutou, property developer OGIC, digital service provider Tessi, textile personalisation specialist Flexdev, medtech company Acteon and Marle Group, the world’s leading manufacturer of orthopaedic implants and precision instruments. The holding company has more than 70 employees working at its Paris and Lyon offices, as well as locations in Munich and Luxembourg. dentressangle.com

ABOUT VERTO

Verto is an asset management company that manages growth equity funds specialising in the technology and healthcare sectors in France and Benelux. Verto works with profitable, fast-growing companies through primary deals, with or without leverage, as a majority or leading minority shareholder. vertogrowth.com

The DENTRESSANGLE team consists of Thierry Coloigner, Raphaël Feuillet, Sébastien Richer, Axel Rhein and Alexandre Magnier.

DENTRESSANGLE’S ADVISORS IN RELATION TO THIS TRANSACTION

M&A: Clipperton (Thibaut Revel) – Natixis (Driss Mernissi)

Strategic: Yole (Jean-Christophe Eloy) – Advancy (Florent Chapuis)

Legal: Hogan Lovells, Stéphane Hutten

Finance: Deloitte (Vania Mermoud)

Legal, tax and workforce-related: Deloitte (Laure Maffre)

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