

# Testimonials

## Cash flow boost for major construction project near Paris

Unperturbed by the impact of the Covid-19 pandemic, family-owned construction and property development company Legendre Group has cemented its strong position in France, remaining committed to building long-term projects within its domestic market while also looking at opportunities abroad. As a new client of Credendo, it benefited from a French retention money bond that supported a new arena project near Paris that will hopefully spark a pipeline of similar projects across the country.

**Legendre Group** is a family-owned construction and property development group headquartered in Rennes and founded in 1946. Operating with three distinct business lines – construction and public works, property development and energy services – it is ranked within the top 15 largest players in the domestic market.

While enjoying a strong position within France, the company has also set its sights on international expansion, having already established a presence in London, Jersey, and Portugal. It aims to generate 25% of its revenues in 2025 from outside of France's borders.

Even the Covid-19 crisis has not been able to knock the company off course. Legendre Group has maintained all its contracts and has not lost any of its customers to bankruptcy during the pandemic. During the initial lockdown in 2020, it faced two months of stalled construction works, but since then the company has bounced back. "By the end of 2020, the group reported positive earnings before income and tax and high net income," says Grégoire Charmetant, Finance Director of Legendre Group.

"We came out of this crisis stronger than we were before," he adds, reflecting how Covid-19 had failed to put a significant dent in the growth of the wider construction industry, which had been enjoying a strong recovery in the two years preceding the pandemic. "Volume is there, and margins are back," he says.

Capitalising on this growth, Legendre Group is exploring different types of projects including the construction of



arenas to host sport and cultural events. It completed its first arena near Rennes in 2019 and is now in the process of executing the Colisée Grand Paris project for a public client, which will be a mixed-use building built in Tremblay-en-France in the north-eastern suburb of Paris, set to be completed in 2024.

“It is a very important project for us. It is not the biggest project in terms of size, but it is very visible,” says Charmetant, explaining that the group hopes this development will lead to a strong pipeline of arena projects across France.

To support the complex nature of the arena project, Legendre Group enlisted the help of Credendo. The credit insurer issued a French retention money bond – a type of performance bond that usually guarantees that the contractor would fix any problems after a construction project is completed.

Typically, in France, clients would hold back up to 5% of the due funds to a contractor as a form of security to ensure a project is successfully completed. The use of this bond ensures that no retention money was held, which is an enormous benefit to Legendre Group’s cash flow. “There was an immediate cash impact for us,” says Charmetant.

Although this was the first time Credendo had worked with Legendre Group, the company already had an existing relationship with Credendo’s Surety Underwriter and Country Manager France, Arnaud de la Houplière, who had worked with the construction group in a previous role.

“That mutual trust was already there,” explains Charmetant. He praised the transparency of the business relationship with de la Houplière, explaining how the underwriter was able to clearly communicate what risks he was comfortable or not comfortable with.

“One thing we appreciate when we enter into such a business relationship is that the person we talk to is transparent, reactive, able to build some trust and understand the underlying business issues,” he added.

Beyond that existing relationship with de la Houplière, he praised Credendo’s “quick decision-making processes”. “It all went very smoothly,” he says.



**Credendo is most relevant to us through its support for our complex operations with its ability to deal with complex business issues and to understand the particulars of a project. I am sure there will be more operations together in 2022.**

**Grégoire Charmetant,**  
Finance Director of Legendre Group

Working on the Colisée Grand Paris also provided Credendo with an opportunity to diversify its surety business in France, which tends to focus on property developers. “We are trying to duplicate what we did with Legendre with other clients’ operations in the construction market in France, and diversify away from the GFA business we have been too focused on,” de la Houplière says.

Both Credendo and Legendre Group aim to build on the success of their first project together and collaborate on future developments.

“Credendo is most relevant to us through its support for our complex operations with its ability to deal with complex business issues and to understand the particulars of a project. I am sure there will be more operations together in 2022,” says Charmetant.



**We are trying to duplicate what we did with Legendre with other clients’ operations in the construction market in France, and diversify away from the GFA business we have been too focused on.**

**Arnaud de la Houplière,**  
Surety Underwriter and Country Manager France at Credendo