
2016 key developments

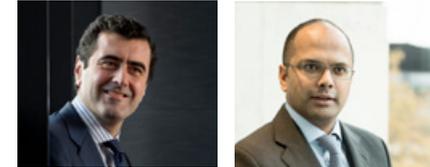
Throughout 2016, our Sector, Regional, Portfolio and Capital Markets teams worked to source high-quality investments, create value in our existing portfolio companies and secure valuable exits for our investors and to the benefit of other stakeholders.

Sector team updates Business services



Our Business Services sector investments have had considerable success over the years, with investments such as the travel technology business Amadeus generating substantial returns for our investors. We look to replicate these successes and we have a particular focus on technology-enabled business models.

Jorge Quemada
Partner
Supraj Rajagopalan
Partner



Portfolio in 2016

New
Hotelbeds
Tinsa

Current
CPA Global
Pronet

Realised
Coor
Prezioso
EnServe

In Hotelbeds, acquired in 2016 in collaboration with our Iberian team, we saw significant potential to draw on our experience of travel technology businesses to consolidate the fragmented global business-to-business bedbank sector. In February 2017, we started this process through Hotelbeds' add-on acquisition of US-based Tourico and of global bedbank company GTA, announced in April 2017.

Working with our Iberian team, we also acquired Tinsa, a Spanish property valuation specialist, a transaction followed by two add-on acquisitions in Latin America in 2016.

Together with our Capital Markets team, we capitalised on robust equity markets in May 2016 to sell the remainder of our publicly-listed shares in Nasdaq Stockholm-listed facilities management business Coor. The year also marked the successful exit of our investment in coatings, insulation and scaffolding business Prezioso through a sale to Altrad.

2016 key developments

Sector team updates
Consumer



In the Consumer sector, we focus on investments in companies with strong brands that resonate with consumers, are multi-channel and capitalise on the shift towards online purchasing.

Peter Catterall
Partner
Maxim Crewe
Partner
Xavier Geismar
Partner



Portfolio in 2016

New
Allegro

In conjunction with TMT team

Current
Kurt Geiger

Our investment in Kurt Geiger in 2015 demonstrated this clearly, as an omni-channel UK shoe retailer with multiple distribution channels and four sub-brands. In 2016, we worked in close collaboration with the management and our Portfolio team to create and implement a detailed Value Creation Plan, the results of which are already starting to be reflected in strong trading results and cash flow generation.

In 2016, as part of the joint Digital initiative with our TMT team, we acquired Polish online market place Allegro. The company has more than 20 million registered users. We will continue to work with the business to develop new channels, such as in mobile commerce, invest in the company's IT platform and position it to capitalise on the rapid growth in e-commerce in the Polish market.

Sector team updates
Financial services



Building on our track record of investing in non-core subsidiaries of large financial institutions as they refocus on their core markets, in 2016, Cinven invested in Ergo Italia, a subsidiary of Munich Re. As with other Cinven investments in this subsector, Ergo Italia is set to benefit from the need for consolidation in European insurance markets. Cinven also signed the acquisition of UK consumer finance company, NewDay, during the year.

Caspar Berendsen
Partner
Peter Catterall
Partner



Portfolio in 2016

New
ERGO Italia
NewDay

Current
Premium Credit
Viridium

Realised
Avolon
Guardian Financial
Services
Just Group
(formerly Partnership)*

*Partially realised

NewDay is a leading UK consumer finance company, specialising in the near-prime and co-brands sectors of the UK credit card market. This acquisition demonstrates Cinven's expertise in the Specialty Finance segment following our 2015 investment in UK specialty finance business Premium Credit, and our 2010 investment in aircraft leasing company Avolon.

Together with our Italian team, we also acquired ERGO Italia, through which we will leverage our expertise in consolidating the life insurance market, a highly replicable thesis for Cinven that began in the UK with life insurance consolidator Guardian Financial Services and continues with life insurer Viridium in Germany. In line with this strategy, ERGO Italia acquired Old Mutual Wealth Italy in January 2017 and Eurovita, in August 2017.

In 2016, we also fully realised our investments in Guardian Financial Services in a sale to a strategic buyer (Swiss Re), and an aircraft leasing business Avolon through an eventual sale to Shenzhen-listed Bohai Leasing (having listed the business on the NYSE in 2014). This year also saw proceeds from Viridium and Premium Credit.

2016 key developments

Sector team updates
Healthcare



In Healthcare, our investments are driven by the pursuit of sector themes with a focus on pharmaceuticals (including generics), pharmaceutical outsourcing, single-use medical devices and healthcare services. We are particularly focused on areas where reimbursement sources are robust and/or diversified and there is potential for accelerated growth through buy and build activity.

Alex Leslie
Partner
Supraj Rajagopalan
Partner



Portfolio in 2016

New
Bioclinica

Current
Medpace
Synlab

Realised
AMCo*

*Partially realised

In 2016, we identified the opportunity to acquire US-based clinical trials and technology business Bioclinica as a result of our long-standing relationship with its experienced and high-quality management team. Our investment in the business will leverage our experience with Medpace, a portfolio company in the adjacent contract research market that has seen strong underlying growth since our initial investment in 2014. Our team worked with management and our Portfolio team to create a detailed VCP in 2016, which includes supporting the company in its international strategy, go-to-market approach, and acquisition roadmap.

Together with our Capital Markets team, we capitalised on strong equity markets to list clinical research organisation Medpace on the Nasdaq Global Select Market in August 2016.

Sector team updates
Industrials



Cinven has been investing the Industrials sector for 25 years, and our current portfolio is performing well. Cinven is focused on acquiring businesses with strong management teams, market leadership, and exposure to growing end markets. The ongoing economic recovery in Europe is creating attractive opportunities in our priority subsectors including Chemicals, building products and packaging.

Caspar Berendsen
Partner
Xavier Geismar
Partner
Pontus Pettersson
Partner
Bruno Schick
Partner



Portfolio in 2016

Current
CeramTec
Jost
Tractel

Realised
Avio
SLV*

*Realisation completed in 2017

In 2016, we successfully realised our investment in specialist lighting manufacturer SLV after working closely with our Portfolio team to re-energise the company's growth plans. Under our ownership, the company's sales grew by 40% and profits increased significantly, due to our support in streamlining production and accelerating revenue growth through new product development.

Buy and build is an important part of our value creation strategy in Industrials. In 2016, we supported Tractel, a specialist in safety equipment for those working at height, in its growth strategy as the business acquired US-based Safety Products Group. The acquisition broadens the company's product range and diversifies its geographical exposure.

2016 key developments

Sector team updates TMT



In the TMT sector, Cinven has successfully invested across a wide range of sub-sectors, from B2B media, cable and satellite through to financial / accounting software and managed hosting businesses.

David Barker
Partner
Chris Good
Partner
Thomas Railhac
Partner



Portfolio in 2016

New Allegro*

*In conjunction with Consumer team

Current Northgate Ufinet Visma

Realised HEG Numericable

In 2016, we worked with our Consumer team to invest in Polish online marketplace Allegro, where we see the opportunity to increase the value of the business by implementing best-in-class operations and building on Allegro's unparalleled recognition among Polish consumers.

We assisted financial and accounting software company Visma in the continuation of its buy and build strategy. In 2016 alone, it made 23 acquisitions, bringing scale and additional capability through the consolidation of a highly-fragmented market. Visma also successfully divested its business process outsourcing division in 2016.

We signed an agreement to realise our investment in hosting and domain services business HEG during 2016 through a sale to US strategic buyer GoDaddy. The sale completed in 2017. In 2016, we completed the final sell-down of our investment in cable operator Numericable.

And finally, in conjunction with our Capital Markets team, we recapitalised Ufinet while continuing the buy and build activity.

Regional team updates Benelux



Benelux

In 2016, our team focused on supporting existing portfolio companies with their growth plans, including Spanish property valuation business Tinsa, which made an add-on acquisition in the Netherlands that completed in 2017, and on building long-term relationships with local management teams. We expect the high volume of large corporate M&A in the Benelux to provide strong deal flow over the coming years as non-core businesses are divested in addition to the pipeline of quality secondary opportunities where Cinven can drive value creation beyond the Benelux region.

Caspar Berendsen
Partner
Ben Osnabrug
Senior Principal
Karel Doorman
Associate



France



France

In 2016, our French team completed the successful sale of our investment in oil and gas maintenance company Prezioso to strategic acquirer Altrad Group. Prezioso grew significantly under Cinven's ownership given its relative resilience to volatile oil prices. We also completed the final sell-down of our investment in cable operator Numericable.

Our team also assisted existing portfolio companies with their expansion strategies, including Tractel, which acquired US-based Safety Products Group. In addition, we laid the groundwork for our 2017 investment in chemicals group Chryso, where we had built a strong relationship with the seller over many years.

Portfolio in 2016

Camaieu
Numericable*
Prezioso*
Tractel

*Realised

Nicolas Paulmier
Partner
Xavier Geismar
Partner
Thomas Railhac
Partner

Other team members
Pierre Estrade
Julien Lammoglia
David Girofler
Olivier Cassat
Jason Diaz
Samy Jazaerli



2016 key developments

Regional team updates Germany, Central and Emerging Europe



Portfolio in 2016

CeramTec
Synlab
SLV*
Viridium
HEG*

*Realised

Germany, Central and Emerging Europe

Our Germany, Central and Emerging European team had a busy 2016, capitalising on the region's sizeable private equity market that is characterised by a good mix of primary opportunities and secondary buyouts. We made two significant realisations, the successful exit of specialist lighting manufacturer SLV and the sale of hosting and domain services company HEG. Our high-performance ceramics manufacturer CeramTec completed an add-on acquisition in 2017, and we worked closely with the Healthcare team to identify and execute a series of acquisitions for clinical laboratories group Synlab. Together with our Iberian and Business Services teams, we were also instrumental in securing the acquisition of global bedbank business Hotelbeds from German parent Tui.

Regional team updates Iberia



Portfolio in 2016

Tinsa
Hotelbeds
Ufinet

Iberia

Our Iberian team had a strong 2016, with two new investments added to the portfolio. In August, we acquired Spanish property valuation specialist Tinsa. Our relationship with the management team and in particular the CEO, Ignacio Martos – with whom Cinven had worked previously through our investment in online travel business Amadeus – was a key factor in helping us secure the investment. Throughout 2016, Tinsa continued to capitalise on the recovery in the Spanish property market and from the double-digit growth in evidence in its key Latin American markets, where Tinsa completed four acquisitions in 2016. Together with our Benelux team, we also laid the groundwork for a significant add-on acquisition in the Netherlands, building on our strategy to expand Tinsa's European presence.

In September 2016 we acquired Hotelbeds, a global independent bedbank, following 18 months of preparation and leveraging the experience of our investment in Amadeus. Our considerable work ahead of the formal sale of Hotelbeds enabled us to pre-empt an auction process and acquire the business off-market. We also announced a major add-on acquisition for Hotelbeds in 2016 – US-based Tourico.

Bruno Schick
Partner
Thilo Sautter
Partner
Florian Luther
Senior Principal

Other team members
Jan-Nicolas Garbe
Adam Prindis
Jan Schonfeld
Caspar Wahler
Julian Nahm



Jorge Quemada
Partner
Miguel Segura
Principal
Ignacio Garcia-Altozano
Fesser
Principal
Jesus Garcia Gomez
Associate

Other team members
Javier Navarro-Rubio



2016 key developments

Regional team updates Italy



Portfolio in 2016

Avio*
ERGO Italia

*Realised

Eugenio Preve
Senior Principal
Andrea Bertolini
Principal
Massimiliano Mascolo
Associate

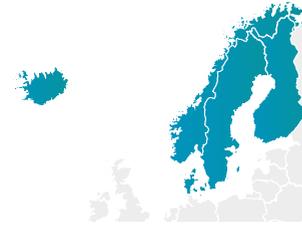
Other team members
Cecilia Colistra
Letizia Bellucci



Italy

Our Italian team worked alongside our Financial Services team to expand Italian insurance business ERGO Italia, an investment announced in 2015 which completed in June 2016, and draws on our considerable experience of consolidating the insurance market in the UK, through life insurance consolidator Guardian Financial Services, and in Germany, through life insurer Viridium. In 2016, ERGO Italia made good progress on its life insurance consolidation strategy through a sale of its non-life business and the acquisition of Old Mutual Wealth Italy. We also announced the sale of the space division of Avio to Space2 and Leonardo-Finmeccanica in October 2016, which completed in 2017.

Regional team updates Nordic region



Portfolio in 2016

Coor*
Visma

*Realised

Pontus Pettersson
Partner
Anthony Cardona
Principal
Johan Pettersson
Associate

Other team members
Tom Thomasson

Nordics

With robust macro-economic fundamentals, a deep pool of export-oriented businesses, and particularly developed healthcare and technology sectors, the Nordic region presents attractive opportunities for Cinven. Our investment in enterprise software company Visma demonstrates this well, as a regional champion at the forefront of the technological shift transforming the global software sector. In 2016, Visma disposed of its business process outsourcing (BPO) division and completed 23 add-on acquisitions, bringing the company's total to 37 under Cinven's ownership by the end of 2016. We also took the opportunity, together with our Capital Markets team, to realise the remainder of our publicly listed shares in facilities management group Coor, which listed on the Nasdaq Stockholm exchange in June 2015.



2016 key developments

Regional team updates UK & Ireland



Portfolio in 2016

AMCo**
CPA Global
EnServe*
Guardian Financial Services*
Just Group**
Kurt Geiger
NewDay
Northgate
Premium Credit

* Realised
 ** Partially realised

UK & Ireland

As Europe's largest private equity market, the UK & Ireland is an active region for investment, benefiting from a strong base of management teams with long experience of private equity-backed companies and diverse opportunities across multiple sectors. Although several of our portfolio companies are headquartered in the UK, many operate international businesses.

While 2016 was characterised by a high degree of uncertainty in the run-up to, and following, the UK Brexit referendum, our team continued to source high-quality investment opportunities. We acquired credit card business NewDay, which specialises in the under served near-prime segment and offers co-branded credit cards for retailers such as Arcadia, Amazon, Debenhams and House of Fraser. We continued to assist existing portfolio companies with their growth and operational improvement plans, including shoe retailer Kurt Geiger, where, alongside the Portfolio team, we developed a detailed Value Creation Plan. As a leading retailer of luxury footwear in Europe, Kurt Geiger performed well following the referendum result, continuing to attract international customers and appealing to more affluent consumers that are typically less sensitive to volatile macro-economic developments.

We also worked with the Capital Markets team to complete the merger of listed retirement solutions provider Partnership with listed group Just Retirement to form Just Group, and realised our investment in life insurance consolidator Guardian Financial Services, which completed in January 2016.

David Barker
 Partner
Peter Catterall
 Partner
Supraj Rajagopalan
 Partner

Other UK partners
 Maxim Crewe
 Chris Good



Regional team updates North America



Portfolio in 2016

Bioclinica
Medpace

North America

With its deep pool of high-quality businesses, the North American market offers compelling opportunities for new investments and expansion opportunities for Cinven's existing portfolio companies. Our North American team complements the activities of Cinven's European teams. We identify new investments mainly in the Healthcare and TMT sectors, often with existing significant European operations or with ambitions to expand internationally, and we assist European portfolio companies with increasing their footprint in the North American market.

In 2016, we acquired Bioclinica, a global provider of clinical trial services and technology to contract research organisations. The investment, identified two years earlier, leverages our experience with contract research organisation Medpace, a company we acquired in 2014, and our long-standing relationship with Bioclinica's CEO. Following the investment, we have worked with our Healthcare and Portfolio teams and management to develop a detailed Value Creation Plan.

Working with our Capital Markets team, we also capitalised on strong public markets appetite to list Medpace on the Nasdaq Global Select Market in August 2016 to provide a route to liquidity with further upside potential. We opted not to sell any shares in Medpace at IPO.

In 2016, our North American team also assisted with the sale of hosting and domain services business HEG to US strategic buyer GoDaddy. In addition, we supported the expansion plans of a number of Cinven portfolio companies, including Hotelbeds, which announced the acquisition of US-based Tourico in 2016 and completed the investment in 2017, and Tractel, which acquired Safety Products Group in the US.

Alex Leslie
 Partner
Jonas Nilsson
 Partner
John Richardson
 Senior Principal
Michael Korzinstone
 Senior Principal

Other team members
 Daniel Garin
 Philip Cathcart



2016 key developments

Portfolio team updates

During 2016, we continued to work across the Cinven portfolio, helping to create detailed Value Creation Plans (VCPs) for our new investments, supporting existing portfolio companies in their organic and M&A growth plans and preparing our investments for sale.

Developed over the past few years, our VCPs provide a structured and rigorous framework within which we can identify incremental value creation levers within our portfolio companies. Our VCPs provide a clear roadmap for how management can develop the business, improve performance, implement best practices and accelerate growth. The roadmap is translated into detailed quarterly actions plans, supplemented by the support our team can offer across six key areas of functional capabilities: internationalisation, buy and build, digitisation, pricing, salesforce effectiveness and cash management.

In 2016, we created VCPs for Synlab, Hotelbeds, Allegro and Kurt Geiger. We also worked closely with a number of our portfolio companies through our VCP refresh framework to re-energise their growth plans.

In 2015, we started implementing an enhanced monitoring system, using financial and operational metrics that we review monthly along with ESG KPIs, which are reviewed quarterly. These comprehensive metrics, which include forward-looking data, were drawn up with input and agreement across the whole Cinven partnership. Our efforts started to pay off in 2016 as we were able to identify any areas of underperformance at a much earlier stage and act quickly to address any issues.

Thilo Sautter

Partner

Joseph Wan

Partner

Immo Rupf

Partner

Ivan Kwok

Partner

Pete Blakeney

Executive

Tony Ling

Executive



2016 key developments

Capital Markets team updates

Matthew Sabben-Clare
Partner
Soren Christensen
Partner
Christopher Anderson
Managing Director

Our team was highly active in 2016. In total, we implemented c. €6 billion equivalent of debt and equity capital markets transactions across a diverse range of financing options to provide acquisition finance and funding for growth.



We capitalised on the continued strong demand among lenders and debt capital markets for exposure to high-quality credits in 2016 to secure attractive refinancing deals for a number of our companies. These serve to lower our portfolio companies' cost of debt and provide greater headroom for expansion or an unforeseen change in economic conditions through the negotiation of more flexible financial covenant terms.

Our capital markets experience and breadth of our networks with funding sources allow us to source the right, flexible financing arrangements on the best terms available for our portfolio companies. For our investment in Spanish property valuation specialist Tinsa, for example, we arranged a club deal with local banks totalling €115 million, while in larger situations, such as our refinancing of Synlab in 2016, we tapped demand in the high-yield bond markets to secure €940 million, saving the company around €10 million in annual interest payments. In Poland, we arranged a €1.2 billion loan in zloty for our acquisition of online marketplace Allegro, securing an innovative junior debt package.

In equity capital markets, we took advantage of strong growth in our contract research business, Medpace, to list the company on the Nasdaq Global Select Market. In August 2016, we also successfully merged listed retirement product group Partnership with London Stock Exchange-listed Just Retirement. In addition, we sold down our remaining shares in facilities management company Coor, following its IPO on Nasdaq Stockholm in 2015.

Capital Markets team activity in 2016

Debt capital markets



Equity capital markets

