

2015 investment activity

We delivered an excellent performance in 2015 through successful realisations and maintaining new investment momentum.

Cinven generated strong realised proceeds during 2015, through full exits, partial exits and distributions. In particular, the sales of AMCo, Guardian Financial Services and Numericable Group were three of the most successful investments in Cinven's 25+ year history.

Meanwhile, Cinven invested around €1.5 billion¹ in five new portfolio companies and made 21 major add-on acquisitions.

Substantial exits in 2015

Company Numericable Group / Altice	Date invested March 2005	Completion date March 2016 ²
Sector team TMT	Divestment type Stockmarket disposal / corporate acquirer	Enterprise value €29bn
		Realised proceeds €2.2bn
		Money multiple 4.7x

A landmark investment that transformed the French cable industry and provided a 159% IRR over 11 years and 4.7x cost – one of the largest ever European private equity returns. Cinven introduced new management and supported Numericable Group in its sector consolidation and investment in next-generation triple play services. Numericable Group's enterprise value today is 55 times that of the first regional operator Cinven acquired in 2005.

Company Spire Healthcare	Date invested August 2007	Completion date July 2015
Sector team Healthcare	Divestment type Stockmarket disposal / corporate acquirer	Enterprise value £1.2bn ³
		Realised proceeds €1.1bn
		Money multiple 1.8x

Cinven invested in new services in this UK hospitals operator, driving organic growth and broadening its offer. The cost of procedures and central costs were optimised following synergies from add-on acquisitions and new build hospitals; Cinven also invested in the development of facilities to increase theatre capacity and scanning equipment and developed a joint venture with Cancer Partners UK. Spire floated in July 2014. Cinven sold down its remaining stake at significant value uplifts, including a sale to South Africa's Mediclinic, which acquired a c. 30% stake in Spire in July 2015.

Company Avolon	Date invested May 2010	Completion date January 2016 ¹
Sector team Financial Services	Divestment type Stockmarket disposal / corporate acquirer	Enterprise value \$7.6bn
		Realised proceeds €439m
		Money multiple 2.3x

Cinven invested in this aircraft leasing business in the wake of the financial crisis. Following investment in new aircraft and international expansion, the company listed on the New York Stock Exchange in December 2014 at \$20 per share. At IPO, Cinven only sold 17.5% of its shares. In January 2016, Cinven sold its remaining 20% stake to Bohai Leasing, at \$31 per share generating an overall return of 2.3x cost on the investment.

Company Guardian Financial Services	Date invested November 2011	Completion date January 2016 ¹
Sector team Financial Services	Divestment type Corporate acquirer	Enterprise value £1.6bn
		Realised proceeds €1.6bn
		Money multiple 4.2x

Cinven's Financial Services team's consolidation thesis in the fragmented closed life assurance sector led to the identification of Guardian Financial Services, which Cinven backed to roll-up major closed-life books over a four-year ownership period. This culminated in a business with £17 billion of assets, around 900,000 policies and a healthy balance sheet. This made it highly attractive to Admin Re which acquired the business. The sale generated a €1.2 billion capital gain.

Company AMCo²	Date invested August 2012	Completion date October 2015
Sector team Healthcare	Divestment type Corporate acquirer	Enterprise value £2.3bn
		Realised proceeds €1.3bn ³
		Money multiple 3.9x

AMCo was created by the simultaneous acquisition and merger of Amdipharm and Mercury Pharma, companies with diversified and attractive product portfolios. AMCo made five further add-on acquisitions to drive geographic expansion and create a global business, while launching 44 new products. The investment has returned cash proceeds of 3.5x cost, and Cinven retains a significant minority stake in the listed acquirer, Concordia Healthcare Corp.

¹ Includes ERGO Italia and Kurt Geiger which completed post-2015 year-end

² Distributions during 2013-2016, with a final distribution in July 2016

³ Market capitalisation at 31 December 2015

¹ Sale agreed in 2015

² Cinven funds retain a rolled-over interest in acquirer company Concordia Healthcare

³ Realised proceeds to date, excludes remaining unrealised value

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continued

New investments in 2015

Company Premium Credit	Date invested	Sector team	Premium Credit is an insurance premium finance company that enables individuals and businesses to spread the cost of upfront premiums. Its products are a key source of funding for consumers and smaller businesses in the purchase of often mandatory products, such as motor, home or fire insurance.
	February 2015	Financial Services	
	Regional team	Transaction value	
	UK & Ireland	£462m	

Company Synlab	Date invested	Sector team	Cinven simultaneously acquired and merged Synlab, a German headquartered provider of human and veterinary laboratory services and environmental analysis, and Labco a major European provider of medical diagnostic laboratories based in France. The enlarged Group, Synlab, is now the leading European operator of laboratory diagnostics.
	August/ October 2015	Healthcare	
	Regional team	Transaction value	
	Germany France	Not disclosed	

Company Tractel	Date invested	Sector team	Tractel is a specialist provider of working-at-height equipment. It operates globally through a network of 8,000 industrial distributors and is a worldwide leader in the majority of its niche markets.
	October 2015	Industrials	
	Regional team	Transaction value	
	France	Not disclosed	

Company ERGO Italia¹	Date agreed	Sector team	ERGO Italia is a specialist provider of life and non-life insurance products in Italy. Cinven's acquisition follows its thesis of consolidating regional closed life insurance books, a strategy successfully executed through other investments such as Guardian Financial Services (UK) and Heidelberger Leben Group (Germany).
	November 2015	Financial Services	
	Regional team	Transaction value	
	Italy	Not disclosed	

¹ Completed June 2016

Company Kurt Geiger¹	Date agreed	Sector team	Kurt Geiger is a leading footwear and accessories company and is the largest retailer of luxury footwear in Europe. It sells through multiple channels to a global market.
	December 2015	Consumer	
	Regional team	Transaction value	
	UK & Ireland	Not disclosed	

¹ Completed February 2016

Major add-on acquisitions in 2015

Investment	Add-on 1	Add-on 2	Add-on 3
AMCo	Primegen	Boucher and Muir	
CeramTec	DAI Ceramics		
CPA Global	Innography		
HEG	intergenia	Paragon Internet Group	
SLV	Lagotronics		
Ufinet	Reico		
Visma	e-economic	SpeedLedger	PBJ ... and 10 more

Our portfolio

In 2015, Cinven had 26 portfolio companies across three funds. Our latest, the Fifth Cinven Fund continues its strong performance, delivering aggregate portfolio revenue and EBITDA growth of 9% and 13% on a LTM basis to 31 December 2015, respectively.