

TMT Sector insights

Our
investments

TMT

While the overarching trends affecting the TMT sector are global, the market itself can be surprisingly regional. An understanding of both the broader industry picture and local expertise is an absolute requirement for success. Our TMT team has seven investment professionals across Europe, and a track record of successful investment over more than 20 years and commitments of €3.7 billion to 16 TMT companies.

Our TMT portfolio in 2014

HEG
current

**Northgate Public
Services**
new in 2014

Numericable Group
partially realised

Ufinet
new in 2014

Visma
new in 2014

Partners

2

Portfolio companies in 2014

5

“2014 was a busy year for our TMT team, with three new investments and the realisation of European cable champion Numericable Group.”

David Barker Cinven Partner

Challenges and opportunities

The main challenges in TMT are well-rehearsed – cheap access to high bandwidth in telecoms, the migration of IT infrastructure and enterprise software to ‘the cloud’, and the digitisation of the media. However, these can also present significant investment opportunities. Finding precisely the right companies in which to invest requires both local knowledge, contacts and an intimate understanding of such business models, something that we are continually building on through our dedicated sector focus.

Our long experience of investing in the sector helps us to identify ways of creating value in new opportunities. The Spanish fibre business, Ufinet, is a good example of this, in which the investment case was informed by our experience with Completel in France.



TMT sector Partners

- 1 David Barker
Partner
- 2 Nicolas Paulmier
Partner

Generating exceptional value

In 2014 we made three new TMT investments from the fifth Cinven fund, and further realisations of our landmark investment in French cable operator Numericable Group. This highly successful investment generated a capital gain of c. €1.7 billion and was the result of an almost decade-long consolidation of the market, creating a true industry champion, now listed on the NYSE Euronext Paris stock exchange.

Our investment in Visma in August 2014, the leading Nordic business software and services company, presents another interesting regional buy and build opportunity.

In June 2014, our investment in Spanish fibre operator Ufinet was widely characterised as signalling a re-opening of investor interest in the Spanish market. In reality our interest in the region had never diminished and the investment was the result of our regional presence, contacts and knowledge of the business model.

At end December 2014 we completed an investment in Northgate Public Services, building on our experience of software this time servicing the public sector.

In addition to the new investments, HEG (formerly Host Europe Group) signed its third significant acquisition in what is a steadily developing buy and build opportunity.



Overview

HEG provides hosting and domain services to SMEs. About half the company's revenues are from Germany, approximately a third from the UK and the remainder from various countries in Europe, the Americas and Asia Pacific.

Investment thesis

Cinven's TMT team identified HEG as well positioned – given its leadership position in Europe's two largest markets – to capitalise on the structural growth trends of increasing cloud computing and web presence among SMEs, within a fragmented market.

Progress in 2014

HEG continued its strong growth trajectory in 2014, with revenues and EBITDA increasing by 5.8% and 11.6% respectively. In December, HEG continued its sector consolidation with the €210 million acquisition of German-based intergenia, broadening HEG's product offering into lower priced products in Managed and

Cloud Hosting; thus HEG now offers the full hosting product assortment. intergenia also provides access to attractive regions such as BRICs, Asia Pacific and the US and allows HEG to realise revenue and cost synergies in areas such as data centres, server capex and energy costs.

In tandem with the acquisition, the combined group was refinanced, enabling intergenia to be acquired without additional equity.

Cinven's Portfolio team continues to be actively involved with the implementation of a number of initiatives, including the integration of add-on acquisitions, new product development and sales force and marketing effectiveness. Cinven and management continue to evaluate further add-on investment opportunities.



Chairman
Lord John Birt
CEO
Patrick Pulvermüller

www.heg.com

Acquired
August 2013

HQ
UK
(European operations)

Sales
£152m
12 months ending December 2014 (pro forma)

Employees
800
(approximate)



Cinven representatives
David Barker
Thomas Railhac
Florian Luther





Overview

Northgate Public Services (NPS) provides software, outsourcing and IT services to local government and public sector organisations. Founded in 1969, the company employs more than 1,700 people in the UK across 10 offices and more than 650 people internationally including those in its software development centre in Mumbai.

Investment thesis

Cinven's TMT team identified NPS as an attractive investment given its strong position in a variety of niche software applications across the UK public sector, the critical nature of its offering and growth potential into related areas. Given NPS' investment in flexible on-demand software capabilities, the company has the potential to develop its position in attractive niches such as healthcare screening and the police and to expand internationally in markets including Canada, the US and Australia, where NPS already operates.

It is also well placed to benefit from the digitisation of public sector information, the need for government bodies to improve productivity and their desire to interact more effectively and directly with citizens.

Progress in 2014

Following our acquisition of the business in December, we intend to build on its strong track record of growth. The company's order book in its core products has increased by 13% compared to the prior year, providing strong momentum for the year ahead.



CEO
David Meaden

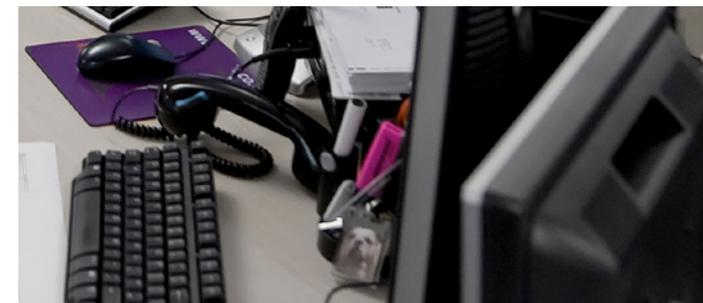
Cinven representatives
David Barker
Chris Good

www.northgate-ispublicservices.com

Acquired
December 2014
HQ
UK
(global operations)

Sales
£181m
12 months ending April 2014
(actual)

Employees
2,400
(approximate)



Our investments

TMT



Overview

Numericable Group is a French cable operator, providing triple play services of HD television, video on demand and broadband internet and telephony to nearly 10 million households. Following our acquisition of the telecom assets of France Télécom, Canal+ and TDF to create Numericable Group, the business began a market consolidation strategy, including the acquisition of Altice One in November 2005, Noos-UPC in July 2006 and Completel in 2008.

Investment thesis

Our TMT team believed the French cable market was overly fragmented and there was an opportunity for a well-run consolidator to harness synergies while investing in its network to drive growth and increase the penetration of triple play purchases.

Progress in 2014

Following the successful execution of Cinven's consolidation strategy, which in turn enabled the cross-selling of broadband and telephony products, the Numericable Group listed on the NYSE Euronext Paris stock exchange in November 2013.

Following this highly successful IPO, Cinven has crystallised significant value from the fund's remaining holding throughout 2014. Through a series of divestments (one of which exchanged all of the fund's remaining Numericable shares for Altice shares), the fund's realised proceeds in the investment reached €1.7 billion at December, or 3.5x cost, with remaining value of €506 million at the reporting date, equating to a total value of 4.5x cost, and an IRR of 159%. In addition, in November 2014 Numericable Group signed the €17 billion acquisition of SFR.



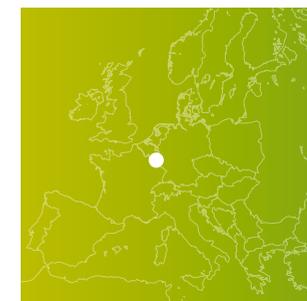
Chairman (Altice)
Patrick Drahi
CEO (Altice)
Dexten Goei

Cinven representatives
Nicolas Paulmier
Thomas Railhac
www.altice.net

Acquired
**March 2005/
November 2005/
Sept 2007**

Sales
€13,464m
12 months ending December 2014
(actual)

HQ
Luxembourg
Employees
9,360
(approximate)



uFinet

Overview

Ufinet provides fibre infrastructure and services to telecom operators in Spain and several Latin American countries. Ufinet leases its unique optical fibre network in the main metropolitan areas of Spain and Latin American countries, as well as providing transmission services and satellite network capacity. Cinven acquired the business from Spanish utility company Gas Natural Fenosa.

Investment thesis

Our experience of investing in 'telecom neutral' cable and fibre operators (such as the Numericable Group and Ziggo, in France and the Netherlands respectively) enabled our TMT team to identify Ufinet's potential, in particular given the structural growth in data traffic and fibre networks. Backed by strong and stable cash generation from the leasing of its Spanish networks, Ufinet is well positioned to further penetrate Latin American markets, as well as to explore consolidation opportunities.

Progress in 2014

Ufinet performed well in 2014, with revenue growth driven by strong performance in Latin America and underpinned by resilient trading in Spain. Cinven has significantly strengthened the management team since acquisition, appointing José Antonio Tazón, former CEO of former Cinven investment Amadeus, as Chairman; a new CFO; and a new Head of Corporate Development. Ufinet continues to cultivate a strong pipeline of potential acquisitions.

In the first few months of ownership, Ufinet made good progress, including the development of 'lit fibre' services in metropolitan areas in Spain for wholesale Ethernet connectivity. The company has expanded its network deployment, increasing the number of buildings, data centres and mobile towers connected to Ufinet's network. It has also undertaken a review of the business's commercial effectiveness, including sales force, pricing and reporting.



CEO
Iñigo García del Cerro Prieto

Cinven representatives
Jorge Quemada
Thomas Railhac

www.ufinet.com

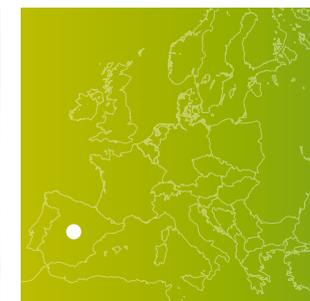
Acquired
June 2014

HQ
Spain

Sales
€130m

12 months ending December 2014
(actual)

Employees
170
(approximate)





Overview

Visma provides accounting, tax and payroll software and services and online cloud based applications to companies in the Nordic region. It has more than 340,000 SME customers, and also services large businesses and the public sector. Established in 1996, Visma operates across 12 European countries and generated NOK7.1 billion of revenues in 2014. Cinven co-invested in Visma on an equal basis with HgCapital and KKR.

Investment thesis

Visma has a track record of consistent growth, driven by innovation and overseen by a strong management team. Cinven intends to support the business through its next stage of organic and acquisitive growth.

Progress in 2014

During our first six months of ownership, organic revenue performance was strong, and Visma continued its roll-up of the sector, with five new bolt-on acquisitions: in July

it acquired Info Consensus, a software provider to Norwegian municipalities; and FMS Group, the company's first Latvian acquisition, expanding its presence in the Baltics. Visma increased its market share of the Norwegian debt collection market with the acquisition of Creno AS in November followed by two Norwegian payroll systems business additions, Finale Systemer AS and Mokastet AS, as it continues to build out its offerings and its geographical reach.

Cloud services continue to be the strongest driver of growth and Visma is steadily launching new SaaS (Software-as-a Service) products including accounting, procurement, payroll, debt collection and software consultancy.

For the year ended 31 December 2014, revenues and EBITDA grew by 10.3% and 11.4%, respectively.



CEO
Øystein Moan

Cinven representatives
David Barker
Chris Good

www.visma.com

Acquired
August 2014

HQ
Norway

Sales
€840m

12 months ending December 2014 (actual)

Employees
6,100
(approximate)

