

Financing team

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Financing team: creating and protecting value through the downturn

Cinven's Financing team has three main roles: to structure and execute acquisition financing for new investments; to work with our portfolio companies to help them manage their debt facilities and treasury strategies; and to manage Cinven's relationships with banks and other lending institutions.

We allocate a member of the Financing team to cover each of our portfolio companies. Alongside Cinven's board representatives, he or she works with the company's senior financial managers – usually the chief financial officer and treasurer – providing advice on debt management and treasury strategy, such as interest rate or foreign exchange hedging. For significant corporate actions like acquisitions or disposals, the Financing team is on hand to provide advice on financing options and look at the implications for existing loan agreements.

The Financing team has been working closely with a number of our companies that have been affected by the economic downturn. In cases where covenant 'headroom' is tight, the team has worked in tandem with the company to plan and negotiate value-protecting strategies that satisfy the company's objectives and are acceptable to the lenders. These range from amendments to the terms of existing debt facilities, through liability management exercises (such as debt buybacks) to more elaborate financial restructurings. Cinven is a responsible owner of businesses, and when we are engaged in

debt renegotiation or restructuring on behalf of our portfolio companies, we aim to balance the interests of all stakeholders, while seeking to maximise and protect value for Cinven's fund investors.

Cinven's strong relationships with banks and other lending institutions can give us a competitive edge when we are looking at potential acquisition financing. The Financing team coordinates with other members of the Cinven deal team to develop the optimal financing strategy for each new investment, based on market conditions and the objectives and preferences of different lenders. The Financing team's depth of experience in the debt capital markets is particularly valuable in current market conditions, which have made banks and other lenders much more selective.

Cinven is a long-term participant in Europe's private equity market. We believe our reputation in the debt capital markets is an important asset in long-term value creation for our investors. The work of the Financing team helps us to protect and create value in our current portfolio as well as to source debt capital for new investments on the most competitive terms.

Hong Kong office

Richard Cheung and Joseph Wan



Cinven's Asia team serves as a catalyst and enabler for our companies, helping them to capture these opportunities.

Hong Kong office: seizing opportunities in Asia

Asia has been playing an increasingly dominant role in the global economy and will continue to do so after the recession. Asia's economic development provides Cinven's portfolio companies with avenues for growth in both sales and profits, either through sourcing of raw material and components from low-cost countries, or by offering access to new and growing markets.

Comparative data have shown that some of our portfolio companies have much to gain from both Asian sourcing (and outsourcing) and market entry. While the prize is real, there are many obstacles and challenges – it took many multinational companies years to build a successful presence in the region.

Cinven's Asia team serves as a catalyst and enabler for our companies, helping them to capture these opportunities. Based in Hong Kong, it consists of ex-management consulting professionals who have spent decades advising companies on similar topics. They work closely with our investment teams and portfolio company managers in various capacities, depending on the nature of the opportunity. Although the Hong Kong office is relatively new, early results have been very encouraging: several sourcing pilots have been completed successfully and a number of Asian joint-ventures are in the making. We expect these to lead to significant financial, operational and organisational improvements to our companies' businesses.

In addition to working with Cinven's portfolio companies, our Asian office is also tightly knitted into the sector team fabric that is integral to the way we work at Cinven. A number of our sector teams have benefited from Asian initiatives and fact-finding trips hosted by our colleagues in Hong Kong. By meeting market-leading companies in Asia, the sector teams have been able to extend their knowledge of global trends in markets such as aviation, shipping, renewable energy and healthcare.

Working with our sector investment teams, the Asia team has also provided knowledge and ideas that have proved invaluable for new European investments. The 'Asian angle', in various situations, has led to a differentiated Cinven offer to sellers of businesses and has enhanced our reputation with management teams.