

Strategic moves at Maxeda and Amadeus

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Continuing transformation at Maxeda: sale of Fashion Group



Maxeda has been transformed since 2004, when Cinven acquired the business together with a consortium of private equity sponsors. Maxeda – then known as Vendex KBB – was an underperforming public company. The largest non-food retailer in the Benelux region, it operated across diverse retail segments, including department stores, DIY, clothing and consumer electronics. Cinven's Consumer team identified the business as an attractive investment opportunity based on the potential for organic growth and operational improvement.

Cinven's strategy, alongside the other shareholders, was to focus Maxeda on its core retailing business, improve operations and rationalise the business. The management team was strengthened and a new Chairman of the Executive Board, Tony DeNuncio, was appointed to implement the strategy.

Since the acquisition, value-creation initiatives have included:

- implementation of retailing best practices, improved customer service and store refurbishment;
- improvement in working capital management and cash-flow;
- cost-savings and restructuring;
- centralisation of procurement, increased Asian sourcing and greater co-operation between stores;
- the sale and lease back of the freehold property portfolio;
- two refinancings and the buy-back of DIY debt at a discount to par to optimise the capital structure; and
- piecemeal sale of individual retail formats.

During 2010-11, Maxeda carried out a strategic review of its Fashion Group – V&D, La Place, de Bijenkorf, Hunkemöller and M&S Mode – which had performed strongly during the downturn. The company decided to position each business for the future with new strategic partners, and as a result, all have been acquired by owners that can help them take the next step in their evolution. Maxeda will continue to support and invest in the DIY Group – the leading DIY retailer in the Benelux region comprised of the Brico, Plan-It, Formido and Praxis formats – to further enhance the positioning of this business.

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Turnaround of Opodo's performance prepares the way for sale by Amadeus



Amadeus IT Holding, S.A., through its subsidiary Amadeus IT Group S.A. and subject to the approval of its Board of Directors and the competition authorities, has reached an agreement with AXA Private Equity and Permira Funds, for the sale of 100% of the capital of Opodo, the online travel agent, for an enterprise value of approximately €450 million. This represents a multiple of 11.7x Opodo's 2010 EBITDA (earnings before interest, tax, depreciation and amortisation).

Opodo was a loss-making business when Amadeus was acquired in 2005. Cinven and its partners prepared Opodo for sale by strengthening the management team and re-focusing the business on core air travel; it had previously operated as a portal for a broad selection of travel and non-travel products. Simplifying the range of products available reduced the complexity and cost base of the business and improved the stability of the software platform for consumers. This combination of factors led to a turnaround in its performance.

The sale agreement includes a 10-year commercial agreement between Amadeus, as a provider of global distribution services (GDS), and Opodo, incorporating the two other online travel agencies with which it is to be combined.

At the time of closure of the transaction and after the implementation of the commercial agreements, the net sum to be received by Amadeus, after costs for the transaction and adjusting for the cash reserves and working capital position of Opodo, will be approximately €500 million.

Amadeus wins 'Deal of the Year – Mediterranean' at the Private Equity Awards 2011

Cinven was presented with the 'Deal of the Year – Mediterranean' award for Amadeus at an event hosted by private equity industry publication 'Real Deals Europe' in April. Amadeus has achieved outstanding results since its acquisition in 2005. Despite a challenging market environment, the company's IPO on the Madrid Stock Exchange, launched on 29 April 2010 at a price of €11 per share, raised a total of €1.44bn.