

Healthcare Sector insights

Our investments

Healthcare

The healthcare market is highly complex with global products delivered through local services and channels. The healthcare value chain is intricate, diverse and inter-dependent. It is a sector that attracts very bright and energetic people at every level. For an investor, the sector is difficult, demanding, and that is what attracts us.

We have consistently demonstrated our proficiency in healthcare by investing in the resources and expertise to encompass this exciting sector, at both a global and local level. Our Healthcare team comprises six investment professionals and has invested €3 billion in 12 healthcare companies over a 20-year period.

In 2014, we have been active in the healthcare sector: we acquired Medpace, a contract research organisation (CRO); we continued to support AMCo, an international off-patent pharmaceuticals provider; we partially realised our investments in UK hospital operator Spire healthcare; and we sold French in-vitro diagnostics specialist Sebia.

300 — 700

400 — 600

500 — 500

600 — 400

700 — 300

800 — 200

900 — 100

Our Healthcare portfolio in 2014

AMCo
current

Medpace
new in 2014

Sebia
realised

Spire Healthcare
partially realised

Partners

3

Portfolio companies in 2014

4

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Sector insights continued

“We take a global view of the healthcare value chain, while providing region-specific insight and support.”

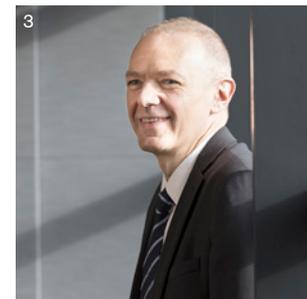
Supraj Rajagopalan Cinven Partner

Challenges and opportunities

We believe taking good care of people is a growth business. The global population over the age of 60 is expected to nearly double in the next 20 years. This will place unprecedented strain on developed world healthcare provision and reimbursement systems. Meanwhile an emerging middle class in developing countries is demanding decent standards of healthcare for the first time.

Changing habits means the nature of healthcare provision is changing fast. For instance, obesity-linked diseases are rising rapidly. Global prevalence of diabetes is set to rise from 8% to 10% by 2035, with a predominance of sufferers within low and middle income countries.

How to address such mega-challenges through profitable private investment requires focus and real expertise.



Healthcare sector Partners

- 1 Supraj Rajagopalan Partner
- 2 Stuart McAlpine Partner
- 3 Nicolas Paulmier Partner

Generating exceptional value

We have a particular focus on supporting the delivery of improved healthcare outcomes in a cost-effective way. Given that healthcare reimbursement systems are different in each jurisdiction, our ability to navigate this complexity across Europe, North America and Asia has proved invaluable, and has informed our investments in companies such as Spire Healthcare and AMCo.

Our investment in Sebia played directly into the need for solutions to the global diabetes crisis, from the perspective of diagnostics.

Meanwhile, the market for new molecules is global, and sourcing exactly the right opportunity, wherever it may reside, requires a holistic view of the healthcare value chain.

Medpace is a case-in-point, where we identified a company that was perfectly positioned to benefit from the current boom in biotech fundraising, and which we can support as it expands its offering across Europe and Asia.

We also have a strong track record of realising the value of our healthcare assets. During 2014 we crystallised gains in Spire Healthcare through one of the year's most successful public offerings on the London Stock Exchange, and we agreed the sale of Sebia to an investor consortium for €1.4 billion. In addition, we returned 1.1x original cost in a dividend recapitalisation of AMCo, just two years post acquisition, whilst also materially reducing the average cost of debt.

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Overview

AMCo is a speciality pharmaceuticals company focused on the sale of niche, prescription off-patent products, created by the merger of two Cinven-backed companies – Mercury Pharma and Amdipharm, acquired in August and October 2012 respectively.

Investment thesis

Cinven identified niche generics as an attractive sub-sector for investment and international consolidation. In addition, the lower risk profile of older, low volume products make them less exposed to reimbursement pressures.

Progress in 2014

AMCo continued its strong growth momentum during 2014, with group revenues increasing by 24% and EBITDA by 26%.

In 2014, AMCo opened its first office in the United Arab Emirates, as part of its broader internationalisation strategy to establish a direct presence across the Middle East. AMCo also successfully completed the acquisition of Focus Pharmaceuticals for £50 million plus an earn-out and completed a debt refinancing in November 2014 which returned c. €375 million to Cinven fund investors. In addition, AMCo deepened its senior management expertise with the appointment of Steve Higgins as Chief Commercial officer, to support the Group's continued international expansion.



CEO
John Beighton

Cinven representatives
Supraj Rajagopalan
Alex Leslie
Matthew Norton

www.AMColimited.com

Acquired

**Aug 2012/
Oct 2012**

HQ

UK

(global operations)

Sales

£297m

12 months ending December 2014
(actual)

Employees

350

(approximate)



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MEDPACE

Overview

Medpace is an international contract research organisation (CRO), providing management services to the R&D departments of pharmaceutical, biotech and medical device clients undertaking clinical trials. Medpace has expertise in therapeutic areas such as metabolic, cardiovascular and oncology. The company was founded in the US and has world-wide operations.

Investment thesis

Cinven expects the significant rise in pharma and biotech R&D spending to fuel growth in the CRO industry, especially for operators such as Medpace that focus on smaller clients, given the growing number and complexity of clinical trials required to bring new molecules to market. To date, Medpace's business has been under represented outside the US, which provides

a significant global growth opportunity. In addition, the company has begun to move into areas such as anti-viral/anti-infective and oncology, in order to diversify, with promising results.

Progress in 2014

In our first year of ownership, Medpace grew strongly, with revenue and EBITDA growth of 19% and 15%, respectively. In order to position the company for further expansion, it hired around 300 employees and enhanced its senior leadership team. Working alongside Cinven's Portfolio team, Medpace is exploring M&A opportunities, particularly in Asia.

In 2014, Medpace opened offices in the UK, Poland, France and Ukraine, with further office openings planned for 2015.



CEO
August J. Troendle

Cinven representatives
Supraj Rajagopalan
Stuart McAlpine
Alex Leslie

www.medpace.com

Acquired

April 2014

HQ

US

(global operations)

Sales

\$290m

12 months ending December 2014
(actual)

Employees

1,700

(approximate)



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Overview

Sebia is an in-vitro diagnostics business specialising in protein-testing, primarily for multiple myeloma, a severe form of blood cancer.

Investment thesis

Our Healthcare team's identification of high value diagnostics as an attractive segment led to our highly successful investment into in-vitro allergy diagnostics business Phadia (sold in May 2011, generating a 3.4x money multiple), which in turn informed our investment in Sebia. Armed with a deep understanding of the business model, we were confident in our ability to help the business develop new products and internationalise its customer base.

Progress in 2014

In December 2014, Cinven sold Sebia to a private equity led consortium for €1.4 billion, resulting in a 2.4x return and a €500 million capital gain. During our ownership period, Sebia saw revenues and EBITDA increase by around 30% and 50% respectively. Value creation was driven in particular through internationalising the business across Asia, South America and into the US, which now accounts for 23% of revenues, as well as the roll out of new markers and diagnostic tests.



Chairman and CEO
Benoît Adelus

Cinven representatives
Nicolas Paulmier
Stuart McAlpine
Pierre Estrade

www.sebia.com

Acquired

June 2010

Employees

430

(approximate)

HQ

France

(global operations)



Our investments

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Overview

Spire Healthcare (Spire) is the second largest private hospital group in the UK, with 39 acute care hospitals and 13 outpatient clinics. Spire works with 3,000 healthcare specialists to deliver personalised care with payor groups being private medical insurance, self-funded as well as the NHS.

Investment thesis

Following Cinven's successful investments in UK-based General Healthcare Group and Générale de Santé, we were selected to bid for BUPA Group's hospitals division. Our strategy was to reposition Spire as a premium operator and build out its UK national franchise.

Progress in 2014

During our ownership period, Spire has been transformed with a new management team, significantly increased capital investment in cutting edge equipment, services and infrastructure, thereby attracting top healthcare professionals, as well as successfully expanding the portfolio from 25 to 39 hospitals. Spire listed on the London Stock Exchange in July 2014 at a market capitalisation of £842 million. The company experienced very strong after market trading, rising by more than 50% by year end, by which point Cinven had sold 39% of its initial holding, retaining a 58% holding in the company.

In January 2015 Cinven placed around 17% of the fourth Cinven fund's stake, increasing realised proceeds to c. £150 million while retaining a 48% share of the company.

Cinven subsequently sold a further tranche in April 2015 and the fourth Cinven fund retains a 38% shareholding in Spire.

Spire announced a long-term agreement with BUPA from April 2015 with a minimum term of four years and with prices agreed for six years. Building on the acquisition of St Anthony's hospital in April 2014, there remains a strong pipeline of potential new hospital and healthcare facility developments and there is continued and growing demand from the NHS for Spire to provide procedures given its own funding pressures.

CEO
Rob Roger

Cinven representatives
Simon Rowlands
Supraj Rajagopalan

www.spirehealthcare.com

Acquired
August 2007
HQ
UK

Sales
£417m
6 months ending June 2014 (actual)
Employees
10,900
(approximate)

