

# Integrated. Collaborative. Focused.

## Annual Review 2016



## Contents

1	About Cinven
4	Foreword
6	2016 at a glance
10	Our approach
18	2016 key developments
36	Our investments
60	Our investors
62	Our governance

## About Cinven

Cinven is a leading international private equity firm with 67 investment professionals and 132 staff across offices in London, Paris, Madrid, Frankfurt, Luxembourg, Milan, Guernsey, Hong Kong and New York.

With a track record spanning more than 40 years, our focus is on delivering attractive returns to our investors by increasing the value of the companies in which we invest. We achieve this by identifying compelling opportunities and partnering with management to grow and transform good-quality companies into domestic or international leaders that are highly attractive to buyers on exit. Our fully integrated model that draws on sector, regional, portfolio and capital markets expertise ensures that, throughout the investment lifecycle, our approach is consistent, creative and collaborative.

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## About Cinven

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### Cinven in numbers

Since 1988, Cinven funds  
have invested in

**120**

companies and realised proceeds of

c. **€34bn**<sup>1</sup>

including nearly

**€7bn**<sup>1</sup>

realised since the start of 2016.

At the end of 2016, Cinven had

**€15.5bn**

in assets under management.

<sup>1</sup> As at the date of publication – November 2017

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### How do we invest?

Cinven seeks to acquire control stakes in market-leading, cash-generative companies with defensive traits, high growth potential and strong management teams. We typically make equity investments in excess of €100 million in companies with enterprise values of more than €300 million.

During our holding period, our goal is to at least double the invested capital of our investors and the millions of beneficiaries they represent.

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### How do we create value?

The main source of returns for Cinven funds is the increased profitability of our investments; only a relatively small component of our returns is derived from multiple expansion, reducing debt and refinancing.

More than two thirds of our returns are attributable to increased revenue growth through the organic development of the business. We see this as a long-term, sustainable approach to creating value in the companies we back.

The remaining third of the gain comes from implementing operational initiatives such as introducing efficiencies and best practices.

**As I reflect on Cinven's activities during 2016, my first full year as Managing Partner, I recognise what we have achieved in the context of our 40 year track record of investing and realising value for our investors.**



Stuart McAlpine  
Managing Partner

At our inception in 1977, we were investing a small pool of evergreen capital in the UK, solely on behalf of the British Coal miners' pension funds; today we are investing our sixth, €7 billion fund on behalf of more than 200 clients worldwide. We have invested throughout multiple cycles with consistency. If you were an investor with Cinven at its inception, you would have the benefit of a return that significantly and consistently outperformed public equities year-after-year based on our long history of European investing acumen and experience. 2016 was no exception to this trend.

The backdrop for Cinven in 2016 was a robust and high-priced market environment riddled with geopolitical threats and elections in Europe and in the US. However, this is business as usual for us; every year I can remember has had different macro issues, different risks and uncertainties. Environments we have experienced range from high-priced equity markets with readily available leverage and the looming potential of a downturn – like 2007 – to low growth markets, with low earnings visibility,

difficult capital markets and the risk of 'calling the bottom' too soon – like 2002 and 2009. It is never 'just right' and it is never easy.

Our view is that to invest effectively through different cycles and environments requires an integrated, and aligned partnership approach; one that is focused on driving value at the operational level of the business, not just in the boardroom. We partner with our management teams both in the C-suite and throughout the broader organisation and leverage the skills of our sector, regional, Portfolio and Capital Markets teams with one aligned goal in mind: driving revenue growth in each of our portfolio companies. We can and will adapt our strategy through cycles, albeit the goal remains the same: targeting and investing in high-quality, growth companies where we can accelerate growth using an array of tools, ranging from 'buy and build' to channel development to technology-enablement to internationalisation. While no strategy is immune to changes in the economic environment, ours is insulated, and that is evidenced by our consistent returns.

During 2016, we took advantage of the market environment to crystallise returns for our investors through 13 full and partial realisations. Highlights include the sales of Prezioso, our French headquartered oil services business to Altrad; HEG, the European hosting business we built, to GoDaddy; Avio Space to Space2 and Leonardo-Finmeccanica; and SLV, the German lighting business, to Ardian. Additionally, we listed Medpace, the US-based contract research organisation, on NASDAQ. Since the beginning of 2016, we have returned c. €6.6 billion to our investors<sup>1</sup>.

We also invested in five companies with very attractive return profiles based on our growth strategies: UK-based consumer finance provider, NewDay; Poland's largest online marketplace, Allegro; Spanish property valuation service provider, Tinsa; Spanish travel services specialist, Hotelbeds; and clinical trials company, Bioclinica, based in the US with ambitions to further expand its European operations. Each of these investments was targeted by a Cinven sector or regional team and evidences our integrated approach to converting a target company into a Cinven investment.

Over the course of 2016, we also completed the fundraising of the Sixth Cinven Fund, which was raised in four months and heavily oversubscribed. We welcomed a number of new investors into our diverse investor base, and are very proud of the support of more than 90% of our existing investors who have benefitted from the longevity of our track record and their partnership with Cinven. We deeply value the relationships we have built with our investors; they are founded on principles of trust, transparency, a responsible approach to investing, and, of course, our returns.

Finally, none of this could be possible without an exceptional team. I inherited the leadership of an exceptional group of people when I became Managing Partner. A large part of my role is to continue to support the development of the existing group of professionals while also attracting and integrating the best and brightest talent in the market who will build on Cinven's 40 year track record in the years to come. I look forward to the coming year, the challenges it will bring and am confident Cinven will continue to build on its long history of investing success.

Stuart McAlpine  
Managing Partner

## 2016 at a glance

In a highly active 2016, Cinven delivered excellent performance for our investors. We deployed more than €1.5 billion into five new investments and a number of add-on acquisitions. In total, more than 50 add-ons were completed during 2016. We returned more than €3 billion to investors through sales to strategic and financial buyers alone, together with further proceeds from a number of partial realisations.

### New investments

#### Tinsa



tinsa

Property valuation, analysis and real estate advisory service provider in Spain and Latin America. Business Services and Iberian teams.

#### Hotelbeds Group



hotelbeds  
GROUP

A leading independent business-to-business bedbank, offering hotel rooms to the travel industry. Business Services and Iberian teams.

#### Bioclinica



BIOCLINICA®  
SEE MORE CLEARLY

Specialty provider of technology-enabled services to clinical trials and pharma companies with offices in the US, Europe and Asia. Healthcare team.

#### NewDay



NewDay

A leading consumer finance provider focused on the UK credit card market. Financial Services team.

#### Allegro



allegro

A leading online marketplace in Poland. Consumer and TMT sector teams.

## 2016 at a glance

### Significant add-on acquisitions

#### ERGO Italia



**ERGO**

Commenced consolidation of the Italian insurance market through acquisition of Old Mutual Wealth Italy. Italian and Financial Services teams.

#### Synlab



**SYNLAB**

Following the creation of a pan-European clinical laboratories business through the merger of Labco and synlab in 2015, the company made 34 acquisitions in 2016. French, German and Healthcare teams.

#### Visma



**VISMA**

Norway-based business services software company Visma made 23 acquisitions in 2016. TMT team.

### Exit highlights

#### Avio Space Propulsion



Following the sale of Avio's aviation business in 2013, Avio Space Propulsion was sold to Space2 and Leonardo-Finmeccanica.

#### Coor



Sold remaining stake in listed Coor Group, a leading facilities management provider in the Nordics.

#### HEG



**HEG**

Hosting and domain services business sold to GoDaddy.

#### Prezioso



Insulation and scaffolding services business sold to Altrad.

#### SLV



**SLV**

Specialty lighting business sold to Aradian.

## Our approach

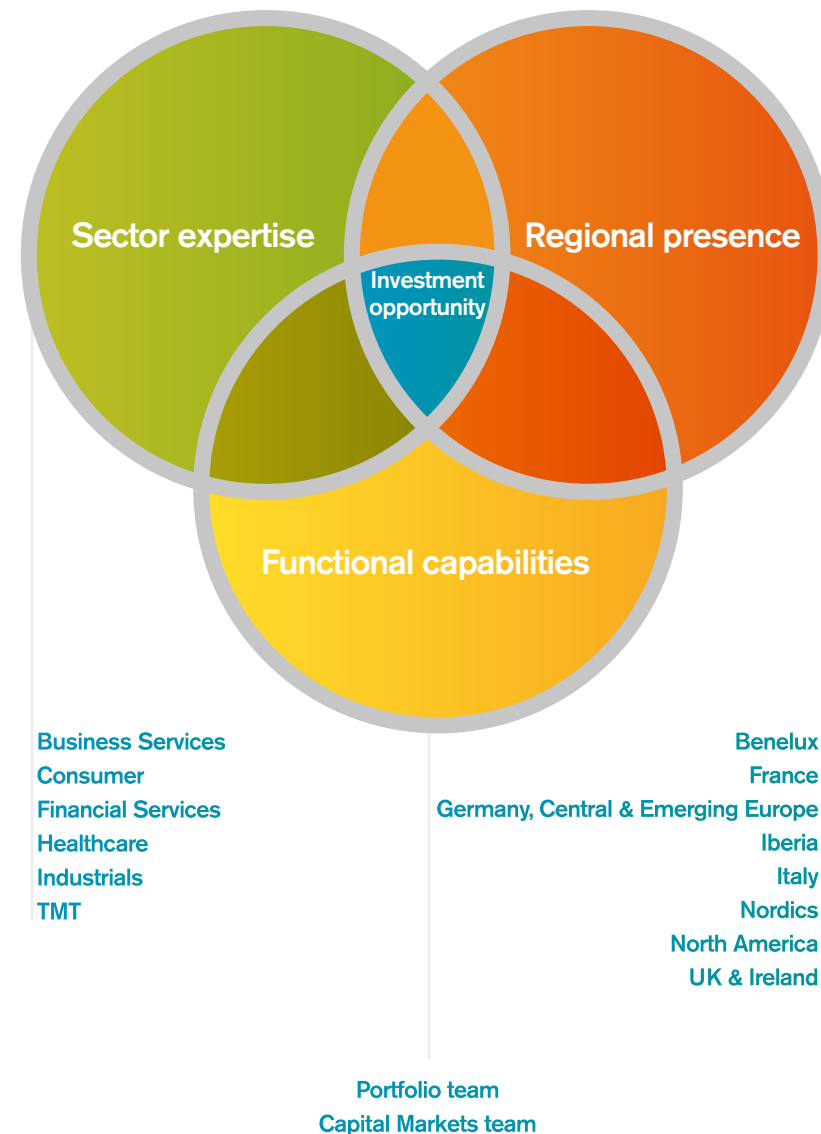
Cinven originates investment opportunities through a matrix of sector and regional coverage teams across Europe and the United States working together. The sector and regional coverage teams systematically screen their various subsectors and regions for potential investment opportunities. Pre-identified investment themes enable the teams to develop expertise and drive growth in targeted subsectors and companies.

The objective of Cinven's matrix approach is to bring a high level of expertise, knowledge and key contacts to investment opportunities in order to develop proprietary angles with management and/or vendors and thereby maximise Cinven's funnel of attractive opportunities where there is a significant origination advantage.

Cinven's investment professionals, regardless of geographic location, work together as one cohesive team, executing a proven and consistent investment strategy. This 'one team' culture is deliberately reinforced with cross-firm organisational structures.

Our functional specialists, the Portfolio team in Europe, the US and Asia and the Capital Markets team, work closely with Cinven's Sector teams to implement Cinven's value creation strategies, drive growth and protect and preserve equity value.

## Our investment matrix



## Our approach

### Our Sector teams

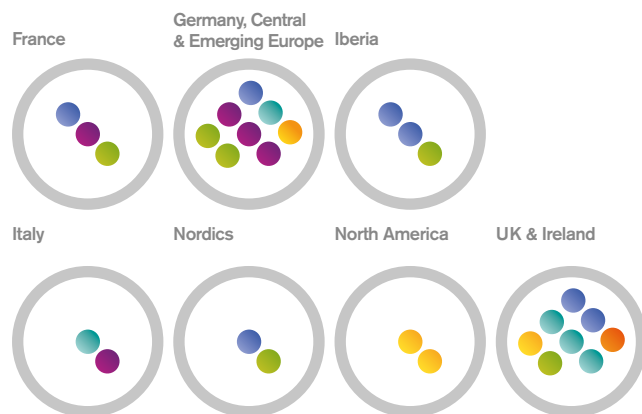
We invest in six sectors:  
**Business Services,**  
**Consumer,**  
**Financial Services,**  
**Healthcare,**  
**Industrials and TMT.**

Each of our six Sector teams consists of highly experienced investment professionals with a deep understanding of international trends and opportunities in their respective industries.

Our comprehensive sector knowledge enables us to develop and fine-tune investment strategies, focusing on sub-sectors and business models with the highest growth potential. Our Sector teams work closely with our Regional teams to identify the right opportunities and build relationships with management teams early on. Many of the investments we complete are months and often years in the making, ensuring that we can develop unique angles and start creating value from day one of our ownership.

## Our Regional presence

- Business Services
- Consumer
- Financial Services
- Healthcare
- Industrials
- TMT



Current Cinven investments by headquarters of investment at 31 December 2016

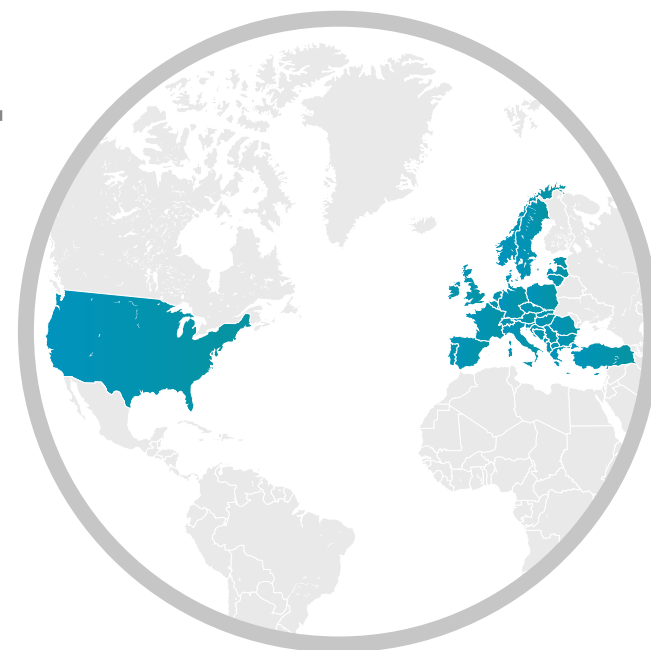
## Our Regional teams

Our Regional teams are based in London, Frankfurt, Paris, Madrid, Milan and New York, supported by Portfolio team professionals in Hong Kong.

Each of our Regional teams consists of individuals that are drawn from, and deeply embedded in, their local markets. With an in-depth understanding and knowledge of cultures and regulations, our Regional teams provide insights into new investment and cross-border expansion opportunities, while also assisting portfolio companies with their domestic growth strategies. Our Regional teams, working in close collaboration with our Sector teams, are often instrumental in identifying new investment targets.

## Cinven team

**16**  
nationalities  
**14**  
languages spoken





## Our approach

### Our Portfolio team

Our Portfolio team comprises experienced individuals who provide in-house expertise to portfolio companies, with a focus on six main areas of expertise: internationalisation, buy and build, digitisation, pricing, salesforce effectiveness and cash management. The team works in close collaboration with our Sector, Regional and Capital Markets teams to target opportunities pre-acquisition and thereafter ensure companies achieve their full growth potential during Cinven's ownership.

Our Portfolio team's expertise is used throughout the lifecycle of an investment – from strategy development pre-deal through to exit preparation. Once we have acquired a business, our Portfolio team provides detailed input into a Value Creation Plan (VCP), which identifies value creation levers to accelerate growth and provides a roadmap to achieve this.

Over recent years, we have also developed a forward-looking Key Performance Indicator (KPI) framework that includes operational, financial and environmental, social and governance (ESG) metrics to gain a clear understanding of how each business is performing and progressing. Monitored monthly, this framework enables the team to act quickly to capitalise on successful initiatives as well as to implement corrective plans, should a business show signs of underperformance.

Value creation potential is further underpinned by a process of VCP refresh, where necessary, to re-energise and refine growth plans several years into an investment. Our Portfolio team is also involved in exit planning, defining equity stories for potential new owners of the business and assisting in ensuring our companies are optimally positioned to achieve maximum value at exit.

### Our functional expertise



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## Our approach

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### Our Capital Markets team

Comprising senior, dedicated professionals, our Capital Markets team is one of the longest established in the private equity industry.

Supporting our portfolio companies throughout the investment period, our Capital Markets team acts as a central point for management teams' relationships with banks and other lenders. Using our deep knowledge of debt capital markets, we secure appropriate and flexible acquisition finance when we make our initial investment.

Our Capital Markets team constantly reviews each company's financing arrangements during our ownership. This ensures our portfolio companies remain funded on the most competitive terms available in the market, optimising their funding structures to support organic and M&A led growth. Where necessary, we also offer expert input to our companies' Treasury functions, helping them manage areas such as foreign exchange and interest rate risk. In addition, the team is often involved in exit planning, arranging staple financing and supporting companies in the equity markets through the initial public offering (IPO) process, where appropriate.

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## Our approach to ESG

Cinven's approach to ESG (Environmental, Social and Governance) is underpinned by our ESG core principles, our values and our commitments as a signatory to the PRI. We have increasingly systematised and codified our approach to ESG, integrating ESG into our processes and governance and working to do the same with our portfolio companies.

We believe good ESG management can both reduce risk and, in some instances, create opportunity. Our experience working closely with our portfolio companies on ESG matters is that an integrated, collaborative and focused approach is essential to delivering ESG benefits. Please see our ESG Review for more information.

### Environmental



### Social

### Governance

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## Philanthropy

The Cinven Foundation is a vehicle for our firm's charitable giving. It mainly supports education-related programmes by making substantial donations to a limited number of charities every year. Those receiving financial support from our Foundation in 2016 included: Impetus – The Private Equity Foundation; ThinkForward; 2nd Chance; IntoUniversity; and Place2Be. For more information, please see the Cinven website.

## 2016 key developments

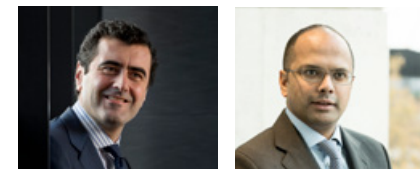
Throughout 2016, our Sector, Regional, Portfolio and Capital Markets teams worked to source high-quality investments, create value in our existing portfolio companies and secure valuable exits for our investors and to the benefit of other stakeholders.

### Sector team updates Business services



Our Business Services sector investments have had considerable success over the years, with investments such as the travel technology business Amadeus generating substantial returns for our investors. We look to replicate these successes and we have a particular focus on technology-enabled business models.

Jorge Quemada  
Partner  
Supraj Rajagopalan  
Partner



### Portfolio in 2016

New  
Hotelbeds  
Tinsa

Current  
CPA Global  
Pronet

Realised  
Coor  
Prezioso  
EnServe

In Hotelbeds, acquired in 2016 in collaboration with our Iberian team, we saw significant potential to draw on our experience of travel technology businesses to consolidate the fragmented global business-to-business bedbank sector. In February 2017, we started this process through Hotelbeds' add-on acquisition of US-based Tourico and of global bedbank company GTA, announced in April 2017.

Working with our Iberian team, we also acquired Tinsa, a Spanish property valuation specialist, a transaction followed by two add-on acquisitions in Latin America in 2016.

Together with our Capital Markets team, we capitalised on robust equity markets in May 2016 to sell the remainder of our publicly-listed shares in Nasdaq Stockholm-listed facilities management business Coor. The year also marked the successful exit of our investment in coatings, insulation and scaffolding business Prezioso through a sale to Altrad.

## 2016 key developments

Sector team updates  
Consumer



In the Consumer sector, we focus on investments in companies with strong brands that resonate with consumers, are multi-channel and capitalise on the shift towards online purchasing.

Peter Catterall  
Partner  
Maxim Crewe  
Partner  
Xavier Geismar  
Partner



### Portfolio in 2016

New  
**Allegro**

In conjunction with TMT team

Current  
**Kurt Geiger**

Our investment in Kurt Geiger in 2015 demonstrated this clearly, as an omni-channel UK shoe retailer with multiple distribution channels and four sub-brands. In 2016, we worked in close collaboration with the management and our Portfolio team to create and implement a detailed Value Creation Plan, the results of which are already starting to be reflected in strong trading results and cash flow generation.

In 2016, as part of the joint Digital initiative with our TMT team, we acquired Polish online market place Allegro. The company has more than 20 million registered users. We will continue to work with the business to develop new channels, such as in mobile commerce, invest in the company's IT platform and position it to capitalise on the rapid growth in e-commerce in the Polish market.

Sector team updates  
Financial services



Building on our track record of investing in non-core subsidiaries of large financial institutions as they refocus on their core markets, in 2016, Cinven invested in Ergo Italia, a subsidiary of Munich Re. As with other Cinven investments in this subsector, Ergo Italia is set to benefit from the need for consolidation in European insurance markets. Cinven also signed the acquisition of UK consumer finance company, NewDay, during the year.

Caspar Berendsen  
Partner  
Peter Catterall  
Partner



### Portfolio in 2016

New  
**ERGO Italia**  
**NewDay**

Current  
**Premium Credit**  
**Viridium**

Realised  
**Avolon**  
**Guardian Financial Services**  
**Just Group**  
**(formerly Partnership)\***

\*Partially realised

NewDay is a leading UK consumer finance company, specialising in the near-prime and co-brands sectors of the UK credit card market. This acquisition demonstrates Cinven's expertise in the Specialty Finance segment following our 2015 investment in UK specialty finance business Premium Credit, and our 2010 investment in aircraft leasing company Avolon.

Together with our Italian team, we also acquired ERGO Italia, through which we will leverage our expertise in consolidating the life insurance market, a highly replicable thesis for Cinven that began in the UK with life insurance consolidator Guardian Financial Services and continues with life insurer Viridium in Germany. In line with this strategy, ERGO Italia acquired Old Mutual Wealth Italy in January 2017 and Eurovita, in August 2017.

In 2016, we also fully realised our investments in Guardian Financial Services in a sale to a strategic buyer (Swiss Re), and an aircraft leasing business Avolon through an eventual sale to Shenzhen-listed Bohai Leasing (having listed the business on the NYSE in 2014). This year also saw proceeds from Viridium and Premium Credit.

## 2016 key developments

Sector team updates  
Healthcare



In Healthcare, our investments are driven by the pursuit of sector themes with a focus on pharmaceuticals (including generics), pharmaceutical outsourcing, single-use medical devices and healthcare services. We are particularly focused on areas where reimbursement sources are robust and/or diversified and there is potential for accelerated growth through buy and build activity.

Alex Leslie  
Partner  
Supraj Rajagopalan  
Partner



## Portfolio in 2016

New  
Bioclinica

Current  
Medpace  
Synlab

Realised  
AMCo\*

\*Partially realised

In 2016, we identified the opportunity to acquire US-based clinical trials and technology business Bioclinica as a result of our long-standing relationship with its experienced and high-quality management team. Our investment in the business will leverage our experience with Medpace, a portfolio company in the adjacent contract research market that has seen strong underlying growth since our initial investment in 2014. Our team worked with management and our Portfolio team to create a detailed VCP in 2016, which includes supporting the company in its international strategy, go-to-market approach, and acquisition roadmap.

Together with our Capital Markets team, we capitalised on strong equity markets to list clinical research organisation Medpace on the Nasdaq Global Select Market in August 2016.

Sector team updates  
Industrials



Cinven has been investing the Industrials sector for 25 years, and our current portfolio is performing well. Cinven is focused on acquiring businesses with strong management teams, market leadership, and exposure to growing end markets. The ongoing economic recovery in Europe is creating attractive opportunities in our priority subsectors including Chemicals, building products and packaging.

Caspar Berendsen  
Partner  
Xavier Geismar  
Partner  
Pontus Pettersson  
Partner  
Bruno Schick  
Partner



## Portfolio in 2016

Current  
CeramTec  
Jost  
Tractel

Realised  
Avio  
SLV\*

\*Realisation completed in 2017

In 2016, we successfully realised our investment in specialist lighting manufacturer SLV after working closely with our Portfolio team to re-energise the company's growth plans. Under our ownership, the company's sales grew by 40% and profits increased significantly, due to our support in streamlining production and accelerating revenue growth through new product development.

Buy and build is an important part of our value creation strategy in Industrials. In 2016, we supported Tractel, a specialist in safety equipment for those working at height, in its growth strategy as the business acquired US-based Safety Products Group. The acquisition broadens the company's product range and diversifies its geographical exposure.



## 2016 key developments

### Sector team updates TMT



In the TMT sector, Cinven has successfully invested across a wide range of sub-sectors, from B2B media, cable and satellite through to financial / accounting software and managed hosting businesses.

David Barker  
Partner  
Chris Good  
Partner  
Thomas Railhac  
Partner



### Portfolio in 2016

New  
**Allegro\***

\*In conjunction with Consumer team

Current  
**Northgate**  
**Ufinet**  
**Visma**

Realised  
**HEG**  
**Numericable**

In 2016, we worked with our Consumer team to invest in Polish online marketplace Allegro, where we see the opportunity to increase the value of the business by implementing best-in-class operations and building on Allegro's unparalleled recognition among Polish consumers.

We assisted financial and accounting software company Visma in the continuation of its buy and build strategy. In 2016 alone, it made 23 acquisitions, bringing scale and additional capability through the consolidation of a highly-fragmented market. Visma also successfully divested its business process outsourcing division in 2016.

We signed an agreement to realise our investment in hosting and domain services business HEG during 2016 through a sale to US strategic buyer GoDaddy. The sale completed in 2017. In 2016, we completed the final sell-down of our investment in cable operator Numericable.

And finally, in conjunction with our Capital Markets team, we recapitalised Ufinet while continuing the buy and build activity.

### Regional team updates Benelux



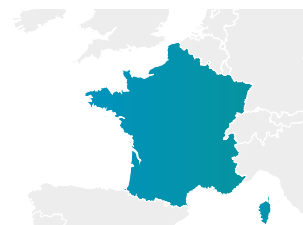
#### Benelux

In 2016, our team focused on supporting existing portfolio companies with their growth plans, including Spanish property valuation business Tinsa, which made an add-on acquisition in the Netherlands that completed in 2017, and on building long-term relationships with local management teams. We expect the high volume of large corporate M&A in the Benelux to provide strong deal flow over the coming years as non-core businesses are divested in addition to the pipeline of quality secondary opportunities where Cinven can drive value creation beyond the Benelux region.

Caspar Berendsen  
Partner  
Ben Osnabrug  
Senior Principal  
Karel Doorman  
Associate



### France



#### France

In 2016, our French team completed the successful sale of our investment in oil and gas maintenance company Prezioso to strategic acquirer Altrad Group. Prezioso grew significantly under Cinven's ownership given its relative resilience to volatile oil prices. We also completed the final sell-down of our investment in cable operator Numericable.

Our team also assisted existing portfolio companies with their expansion strategies, including Tractel, which acquired US-based Safety Products Group. In addition, we laid the groundwork for our 2017 investment in chemicals group Chryso, where we had built a strong relationship with the seller over many years.

### Portfolio in 2016

**Camaieu**  
**Numericable\***  
**Prezioso\***  
**Tractel**

\*Realised

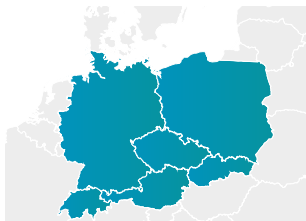
Nicolas Paulmier  
Partner  
Xavier Geismar  
Partner  
Thomas Railhac  
Partner

Other team members  
Pierre Estrade  
Julien Lammoglia  
David Giroflier  
Olivier Cassat  
Jason Diaz  
Samy Jazaerli



## 2016 key developments

### Regional team updates Germany, Central and Emerging Europe



#### Portfolio in 2016

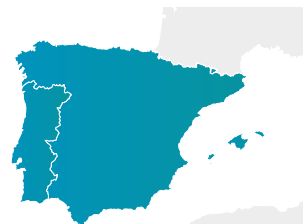
**CeramTec**  
**Synlab**  
**SLV\***  
**Viridium**  
**HEG\***

\*Realised

#### Germany, Central and Emerging Europe

Our Germany, Central and Emerging European team had a busy 2016, capitalising on the region's sizeable private equity market that is characterised by a good mix of primary opportunities and secondary buyouts. We made two significant realisations, the successful exit of specialist lighting manufacturer SLV and the sale of hosting and domain services company HEG. Our high-performance ceramics manufacturer CeramTec completed an add-on acquisition in 2017, and we worked closely with the Healthcare team to identify and execute a series of acquisitions for clinical laboratories group Synlab. Together with our Iberian and Business Services teams, we were also instrumental in securing the acquisition of global bedbank business Hotelbeds from German parent Tui.

### Regional team updates Iberia



#### Portfolio in 2016

**Tinsa**  
**Hotelbeds**  
**Ufinet**

#### Iberia

Our Iberian team had a strong 2016, with two new investments added to the portfolio. In August, we acquired Spanish property valuation specialist Tinsa. Our relationship with the management team and in particular the CEO, Ignacio Martos – with whom Cinven had worked previously through our investment in online travel business Amadeus – was a key factor in helping us secure the investment. Throughout 2016, Tinsa continued to capitalise on the recovery in the Spanish property market and from the double-digit growth in evidence in its key Latin American markets, where Tinsa completed four acquisitions in 2016. Together with our Benelux team, we also laid the groundwork for a significant add-on acquisition in the Netherlands, building on our strategy to expand Tinsa's European presence.

In September 2016 we acquired Hotelbeds, a global independent bedbank, following 18 months of preparation and leveraging the experience of our investment in Amadeus. Our considerable work ahead of the formal sale of Hotelbeds enabled us to pre-empt an auction process and acquire the business off-market. We also announced a major add-on acquisition for Hotelbeds in 2016 – US-based Tourico.

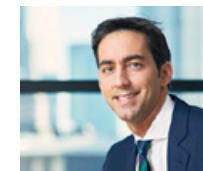
**Bruno Schick**  
Partner  
**Thilo Sautter**  
Partner  
**Florian Luther**  
Senior Principal

**Other team members**  
Jan-Nicolas Garbe  
Adam Prindis  
Jan Schonfeld  
Caspar Wahler  
Julian Nahm



**Jorge Quemada**  
Partner  
**Miguel Segura**  
Principal  
**Ignacio Garcia-Altozano**  
Fesser  
Principal  
**Jesus Garcia Gomez**  
Associate

**Other team members**  
Javier Navarro-Rubio



## 2016 key developments

### Regional team updates Italy



### Portfolio in 2016

**Avio\***  
**ERGO Italia**

\*Realised

**Eugenio Preve**  
Senior Principal  
**Andrea Bertolini**  
Principal  
**Massimiliano Mascolo**  
Associate

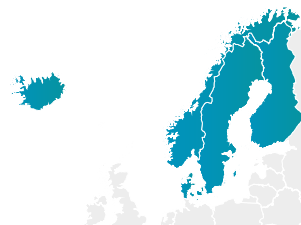
**Other team members**  
Cecilia Colistra  
Letizia Bellucci



#### Italy

Our Italian team worked alongside our Financial Services team to expand Italian insurance business ERGO Italia, an investment announced in 2015 which completed in June 2016, and draws on our considerable experience of consolidating the insurance market in the UK, through life insurance consolidator Guardian Financial Services, and in Germany, through life insurer Viridium. In 2016, ERGO Italia made good progress on its life insurance consolidation strategy through a sale of its non-life business and the acquisition of Old Mutual Wealth Italy. We also announced the sale of the space division of Avio to Space2 and Leonardo-Finmeccanica in October 2016, which completed in 2017.

### Regional team updates Nordic region



### Portfolio in 2016

**Coor\***  
**Visma**

\*Realised

**Pontus Pettersson**  
Partner  
**Anthony Cardona**  
Principal  
**Johan Pettersson**  
Associate

**Other team members**  
Tom Thomasson

#### Nordics

With robust macro-economic fundamentals, a deep pool of export-oriented businesses, and particularly developed healthcare and technology sectors, the Nordic region presents attractive opportunities for Cinven. Our investment in enterprise software company Visma demonstrates this well, as a regional champion at the forefront of the technological shift transforming the global software sector. In 2016, Visma disposed of its business process outsourcing (BPO) division and completed 23 add-on acquisitions, bringing the company's total to 37 under Cinven's ownership by the end of 2016. We also took the opportunity, together with our Capital Markets team, to realise the remainder of our publicly listed shares in facilities management group Coor, which listed on the Nasdaq Stockholm exchange in June 2015.





## 2016 key developments

### Regional team updates UK & Ireland



#### Portfolio in 2016

**AMCo\*\***  
**CPA Global**  
**EnServe\***  
**Guardian Financial Services\***  
**Just Group\*\***  
**Kurt Geiger**  
**NewDay**  
**Northgate**  
**Premium Credit**

\* Realised  
 \*\* Partially realised

### UK & Ireland

As Europe's largest private equity market, the UK & Ireland is an active region for investment, benefiting from a strong base of management teams with long experience of private equity-backed companies and diverse opportunities across multiple sectors. Although several of our portfolio companies are headquartered in the UK, many operate international businesses.

While 2016 was characterised by a high degree of uncertainty in the run-up to, and following, the UK Brexit referendum, our team continued to source high-quality investment opportunities. We acquired credit card business NewDay, which specialises in the under served near-prime segment and offers co-branded credit cards for retailers such as Arcadia, Amazon, Debenhams and House of Fraser. We continued to assist existing portfolio companies with their growth and operational improvement plans, including shoe retailer Kurt Geiger, where, alongside the Portfolio team, we developed a detailed Value Creation Plan. As a leading retailer of luxury footwear in Europe, Kurt Geiger performed well following the referendum result, continuing to attract international customers and appealing to more affluent consumers that are typically less sensitive to volatile macro-economic developments.

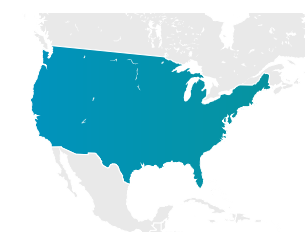
We also worked with the Capital Markets team to complete the merger of listed retirement solutions provider Partnership with listed group Just Retirement to form Just Group, and realised our investment in life insurance consolidator Guardian Financial Services, which completed in January 2016.

**David Barker**  
 Partner  
**Peter Catterall**  
 Partner  
**Supraj Rajagopalan**  
 Partner

**Other UK partners**  
 Maxim Crewe  
 Chris Good



### Regional team updates North America



#### Portfolio in 2016

**Bioclinica**  
**Medpace**

### North America

With its deep pool of high-quality businesses, the North American market offers compelling opportunities for new investments and expansion opportunities for Cinven's existing portfolio companies. Our North American team complements the activities of Cinven's European teams. We identify new investments mainly in the Healthcare and TMT sectors, often with existing significant European operations or with ambitions to expand internationally, and we assist European portfolio companies with increasing their footprint in the North American market.

In 2016, we acquired Bioclinica, a global provider of clinical trial services and technology to contract research organisations. The investment, identified two years earlier, leverages our experience with contract research organisation Medpace, a company we acquired in 2014, and our long-standing relationship with Bioclinica's CEO. Following the investment, we have worked with our Healthcare and Portfolio teams and management to develop a detailed Value Creation Plan.

Working with our Capital Markets team, we also capitalised on strong public markets appetite to list Medpace on the Nasdaq Global Select Market in August 2016 to provide a route to liquidity with further upside potential. We opted not to sell any shares in Medpace at IPO.

In 2016, our North American team also assisted with the sale of hosting and domain services business HEG to US strategic buyer GoDaddy. In addition, we supported the expansion plans of a number of Cinven portfolio companies, including Hotelbeds, which announced the acquisition of US-based Tourico in 2016 and completed the investment in 2017, and Tractel, which acquired Safety Products Group in the US.

**Alex Leslie**  
 Partner  
**Jonas Nilsson**  
 Partner  
**John Richardson**  
 Senior Principal  
**Michael Korzinstone**  
 Senior Principal

**Other team members**  
 Daniel Garin  
 Philip Cathcart



## 2016 key developments

### Portfolio team updates

During 2016, we continued to work across the Cinven portfolio, helping to create detailed Value Creation Plans (VCPs) for our new investments, supporting existing portfolio companies in their organic and M&A growth plans and preparing our investments for sale.

Developed over the past few years, our VCPs provide a structured and rigorous framework within which we can identify incremental value creation levers within our portfolio companies. Our VCPs provide a clear roadmap for how management can develop the business, improve performance, implement best practices and accelerate growth. The roadmap is translated into detailed quarterly actions plans, supplemented by the support our team can offer across six key areas of functional capabilities: internationalisation, buy and build, digitisation, pricing, salesforce effectiveness and cash management.

In 2016, we created VCPs for Synlab, Hotelbeds, Allegro and Kurt Geiger. We also worked closely with a number of our portfolio companies through our VCP refresh framework to re-energise their growth plans.

In 2015, we started implementing an enhanced monitoring system, using financial and operational metrics that we review monthly along with ESG KPIs, which are reviewed quarterly. These comprehensive metrics, which include forward-looking data, were drawn up with input and agreement across the whole Cinven partnership. Our efforts started to pay off in 2016 as we were able to identify any areas of underperformance at a much earlier stage and act quickly to address any issues.

Thilo Sautter

Partner

Joseph Wan

Partner

Immo Rupf

Partner

Ivan Kwok

Partner

Pete Blakeney

Executive

Tony Ling

Executive



## 2016 key developments

### Capital Markets team updates

Matthew Sabben-Clare  
Partner  
Soren Christensen  
Partner  
Christopher Anderson  
Managing Director

Our team was highly active in 2016. In total, we implemented c. €6 billion equivalent of debt and equity capital markets transactions across a diverse range of financing options to provide acquisition finance and funding for growth.



We capitalised on the continued strong demand among lenders and debt capital markets for exposure to high-quality credits in 2016 to secure attractive refinancing deals for a number of our companies. These serve to lower our portfolio companies' cost of debt and provide greater headroom for expansion or an unforeseen change in economic conditions through the negotiation of more flexible financial covenant terms.

Our capital markets experience and breadth of our networks with funding sources allow us to source the right, flexible financing arrangements on the best terms available for our portfolio companies. For our investment in Spanish property valuation specialist Tinsa, for example, we arranged a club deal with local banks totalling €115 million, while in larger situations, such as our refinancing of Synlab in 2016, we tapped demand in the high-yield bond markets to secure €940 million, saving the company around €10 million in annual interest payments. In Poland, we arranged a €1.2 billion loan in zloty for our acquisition of online marketplace Allegro, securing an innovative junior debt package.

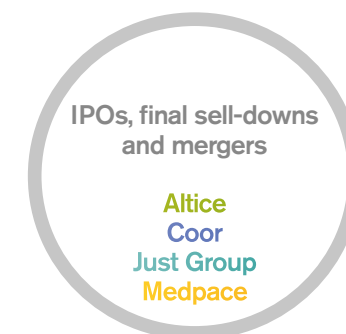
In equity capital markets, we took advantage of strong growth in our contract research business, Medpace, to list the company on the Nasdaq Global Select Market. In August 2016, we also successfully merged listed retirement product group Partnership with London Stock Exchange-listed Just Retirement. In addition, we sold down our remaining shares in facilities management company Coor, following its IPO on Nasdaq Stockholm in 2015.

### Capital Markets team activity in 2016

#### Debt capital markets



#### Equity capital markets



## Our investments

### Business Services



CPA Global	37
Hotelbeds Group	38
Pronet	39
Tinsa	40

### Consumer



Kurt Geiger	41
-------------	----

### Financial Services



Ergo	42
NewDay	43
Premium Credit	44
Viridium	45

### Healthcare



Bioclinica	46
Medpace	47
Synlab	48

### Industrials



CeramTec	49
Jost	50
SLV	51
Tractel	52

### TMT



Allegro	53
HEG	54
Northgate	55
Ufinet	56
Visma	57

### Business Services

## CPA GLOBAL®

Intellectual property management  
software, services, information  
and analytics  
[www.cpaglobal.com](http://www.cpaglobal.com)

Acquired

**March 2012**

HQ

**Jersey**

(global operations)

### How we are creating value

Our Business Services and TMT teams identified CPA Global ("CPA") as having a fundamentally attractive business model with high revenue and earnings visibility due to its large stock of patents that require annual renewal. It operates in a defensive niche, given the business-critical nature of the protection of clients' intellectual property. Our investment in CPA capitalises on our experience in software-led global business Amadeus, which was a highly successful Cinven investment.

### Developments in 2016

CPA continued to perform strongly throughout 2016. Following the 2015 acquisition of US-based patent and analytics business Innography, Cinven has supported CPA's post-merger integration workstreams, and this part of the business continued its strong growth trajectory in 2016.

After the promotion of Simon Webster to CEO in 2015 (previously Chief Business Development Officer and Chief Operating Officer of CPA), management was further strengthened in June 2016, with the appointment of Ben Gujral as CFO (over 12 years' CFO experience in PE and listed businesses).



## Our investments

### Business Services



Global travel services  
[www.group.hotelbeds.com](http://www.group.hotelbeds.com)

Acquired  
**September 2016**

HQ  
**Spain**  
(global operations)



### How we are creating value

Cinven has significant experience in the travel technology business through its successful investment in Amadeus, a company also headquartered in Spain that has become the leading provider of advanced technology solutions for the global travel industry. Hotelbeds Group is positioned in an adjacent market, offering hotel rooms to the travel industry from its inventory of 120,000 hotels in more than 180 countries, plus ancillary services such as transfers and excursions. We believe the business has significant scope to benefit from global growth, capitalising on the shift from offline to online bookings.

### Developments in 2016

Capitalising on our knowledge of the online travel services sub-sector, our Business Services, TMT and Iberian teams identified an opportunity in 2015 to acquire Hotelbeds Group, a leading independent B2B hotel bedbank globally. Working for 18 months to secure the investment, we signed the acquisition in 2016 as management's preferred partner to support Hotelbeds Group in its next phase of growth.

The company has made a strong start under our ownership.



Security alarms and systems  
[www.pronet.com.tr](http://www.pronet.com.tr)

Acquired  
**August 2012**

HQ  
**Turkey**



### How we are creating value

Pronet is the leading Turkish provider of monitored security alarms serving residential and commercial customers, an underpenetrated market compared with the rest of Europe. Partnering with Pronet's founder and leadership team, Cinven is helping to introduce international best practices to bring operational efficiencies and improvements to internal procedures, controls and systems.

Our Portfolio team has worked closely with a strengthened management team to implement new KPIs, which have led to a more professionalised salesforce. The team has also helped attract a more loyal customer base and supported investment in aftersales and improved customer service capabilities. These initiatives have already improved customer sales and retention and the company has won several global customer service awards.

### Developments in 2016

Pronet improved a number of key metrics in 2016 driven by Cinven and management's focus on higher quality subscribers.

These achievements were made despite the unfavorable environment that prevailed throughout the year in Turkey – the unsuccessful coup attempt in July weakened the consumer environment, while the sharp depreciation of the Turkish lira placed pressure on new sales at Pronet as the company prices its alarms in US dollars.



## Our investments

### Business Services

# tinsa

Property valuation specialist  
[www.tinsa.es/en](http://www.tinsa.es/en)

Acquired  
**August 2016**

HQ  
**Spain**  
(with Latin American operations)



### How we are creating value

A leading real estate appraisal company in Spain and Latin America, Tinsa is an attractive opportunity for Cinven. Our Business Services and Iberian teams work closely to target growing, cash-generative businesses that provide business-critical services embedded within their clients' existing businesses, and Tinsa is a perfect fit for this profile.

Working with management, Cinven's strategy for Tinsa is to continue expanding the business internationally, implement operational improvements and lead and accelerate the industry's professionalisation through IT development.

### Developments in 2016

Following completion of our acquisition of Tinsa in August 2016, the business continued to perform well. With new regulations announced by the Bank of Spain in late 2016 that increases appraisal requirement for financial institutions, we anticipate further volume growth for 2017.

With Cinven's support, Tinsa made two acquisitions in 2016: Bancol, a valuation services provider in Colombia; and Logical Value in Ecuador. We also reached advanced discussions on a number of other add-on acquisition opportunities.

### Consumer

# KURT GEIGER

Footwear and accessories retailer  
[www.kurtgeiger.com](http://www.kurtgeiger.com)

Acquired  
**February 2016**

HQ  
**UK**



### How we are creating value

Kurt Geiger is a leading UK footwear and accessories retailer and one of the largest retailers of luxury footwear in Europe. It has a diversified portfolio of footwear brands (own and third party) across a range of price points, sold through multiple routes to market including online (own sites and partner sites), department stores, own stores, international franchise stores and wholesale accounts. The own brands (Kurt Geiger, Carvela and MissKG) have very strong brand equity with significant further potential, including in new categories and geographies. The business is well-placed to benefit from the continued shift to online purchasing and from further international expansion, as well as selected opportunities for consolidation of adjacent brands or footwear businesses.



### Developments in 2016

Kurt Geiger has performed strongly since we acquired the business in February 2016, with revenue growth driven by outperformance in e-commerce and luxury department stores.

Following the acquisition, Cinven appointed Peter Bolliger as Chairman and has supported a number of other new hires, including omni-channel, international, own brand supply chain, operations, logistics and project management positions.

During 2016, our Consumer and Portfolio teams worked with management to create and implement a detailed VCP.

## Our investments

### Financial Services

# ERGO

Italian life insurance consolidator  
[www.ergoprevidenza.it](http://www.ergoprevidenza.it)

Acquired  
**June 2016**

HQ  
**Italy**



### How we are creating value

Following a similar strategy to that we employed when consolidating life insurance businesses in the UK, through Guardian Financial Services and in Germany, through Viridium, our Financial Services and Italian teams identified the opportunity to create a leading Italian life insurance consolidator.

Having created a detailed VCP during due diligence, our Financial Services and Italian teams made good progress throughout 2016 with management in strengthening the team in readiness for add-on acquisition activity. We have identified a list of potential acquisitions and aim to generate significant synergies through further consolidation, while helping to focus the product portfolio on fewer, higher margin products.

### Developments in 2016

In June 2016, we acquired ERGO Italia, a transaction we signed in November 2015. Two months after completion, ERGO Italia announced the acquisition of unit-linked life insurance business, Old Mutual Wealth Italy (OMWI), which completed in January 2017. The acquisition generates substantial financial, commercial and operational synergies and diversifies ERGO Italia's product portfolio.

Cinven has also significantly strengthened the management team to lead ERGO Italia as a stand-alone business following its carve-out from German insurer ERGO International. In 2016, we appointed a new Chairman, CFO, Head of Commercial and Operations and Head of Organisation, IT and Human Resources as well as bringing in a new CEO, Erik Stattin, formerly at Oliver Wyman, Poste Vita and Intesa Sanpaolo Vita.

# NewDay

Specialty finance provider  
[www.newday.co.uk](http://www.newday.co.uk)

Acquired  
**January 2017**

HQ  
**UK**



### How we are creating value

NewDay presents a compelling investment opportunity as a leading UK consumer finance company, specialising in the near-prime and co-brands sectors of the UK credit card market.

NewDay is an FCA authorized consumer credit firm and has developed innovative products and features to better meet the needs of both (i) its customers, by responsibly offering them the right credit services and (ii) its partners, by providing innovative digital capabilities and data analytics opportunities. NewDay's proprietary credit models draw upon customer and market data that have been gathered over more than 15 years of lending through all phases of the credit cycle.

Leveraging our significant experience in the Financial Services sector, we are working with NewDay's management team to further expand the near-prime and co-brand segments, while helping to

enhance credit management, improve operational leverage and accelerate the development of digital capabilities across the business.

### Developments in 2016

Following a review of the UK's specialty finance sector and our successful acquisition of Premium Credit, we signed an agreement to acquire NewDay in October 2016, completing the transaction in January 2017.

Our Financial Services team identified NewDay as one of the UK's fastest growing specialty finance companies, operating in the attractive niche of providing credit cards to near-prime customers (those who are new to credit cards or who wish to rebuild their credit history) and co-brand store and credit cards for a number of established retailers, such as Debenhams, Amazon, TUI and House of Fraser.

## Our investments

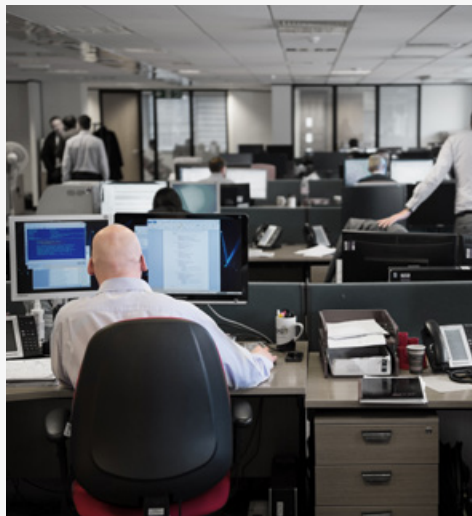
### Financial Services



Software outsourcing and IT services  
[www.premiumcredit.co.uk](http://www.premiumcredit.co.uk)

Acquired  
**February 2015**

HQ  
**UK**



### How we are creating value

Our Financial Services team identified Premium Credit as an attractive investment opportunity in the specialty finance sector as far back as 2012. Offering consumers and small- and medium-sized companies the ability to spread the cost of insurance premiums and providing finance to fund items such as professional fees, the company enjoys high barriers to entry, sticky distribution, low credit losses and strong cash generation.

Since 2015, our teams have supported the business through a wide range of value creation initiatives. The Portfolio team has helped identify and implement operational efficiencies, generating significant cost savings and has worked to upgrade Premium Credit's IT system, which now provides a new, more modern platform that will support further growth initiatives. Additionally, our Capital Markets team has assisted the

company to optimise and further derisk its funding structure by diversifying financing sources and extending debt maturities.

### Developments in 2016

Building on a solid first year under Cinven's ownership, Premium Credit continued to trade well in 2016. The effect of Brexit on the company has been limited, although the weakness of sterling led to significant outperformance of its Ireland operations, which are denominated in Euros.

Cinven continued to strengthen the management team in 2016. In January, this led to the appointment of Tom Woolgrove as CEO, who had previously led the Personal Lines business unit of Direct Line Group. In October, Mark Dearnley joined as CIO. These senior hires follow the appointments of a new CFO and Chairman in 2015.

## VIRIDIUM

GRUPPE (formerly Heidelberger Leben Group)

Life insurance consolidation  
[www.viridium-gruppe.com/en/](http://www.viridium-gruppe.com/en/)

Acquired  
**March 2014**

HQ  
**Germany**



### How we are creating value

Drawing on our experience of consolidating the UK life insurance sector through our investment in Guardian Financial Services, our Financial Services team recognised the opportunity to replicate our successful strategy in the German market. Shortly after acquiring Heidelberger Leben Group in 2014, we supported the company in its acquisition of Skandia's German and Austrian businesses.

Since then, Cinven has supported the company by strengthening the management team, identifying further acquisition opportunities, improving customer retention and implementing changes to the asset management strategy.

### Developments in 2016

Viridium continued to perform strongly in 2016. Formerly known as Heidelberger Leben Group, the company was renamed Viridium in 2016 to establish a separate identity for the consolidation platform (the underlying insurance companies retained their existing names and brands). The sale of Skandia Austria to FWU, signed in August 2015, also completed in 2016, following customary regulatory approvals, enabling Viridium to focus its activities on the German market.



## Our investments

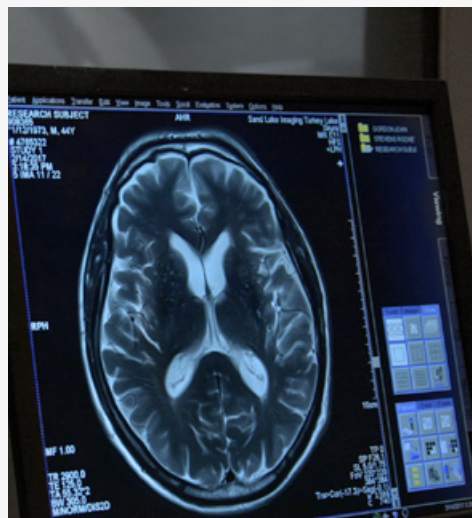
### Healthcare



Technology-enabled services to clinical trials and pharmaceutical companies  
[www.bioclinica.com](http://www.bioclinica.com)

Acquired  
October 2016

HQ  
US  
(global operations)



### How we are creating value

Operating across offices in the US, Europe and Asia, Bioclinica has a diverse customer base, with more than 400 clients, including the top 20 pharmaceutical and biotechnology companies. Cinven seeks to capitalise on the trend towards increased outsourcing by trial sponsors seeking to reduce the costs of clinical trials as well as shorten timescales and improve efficiencies through new technologies and services.

Our Healthcare and Portfolio teams have worked closely with management to develop and refine Bioclinica's strategy and VCP.

### Developments in 2016

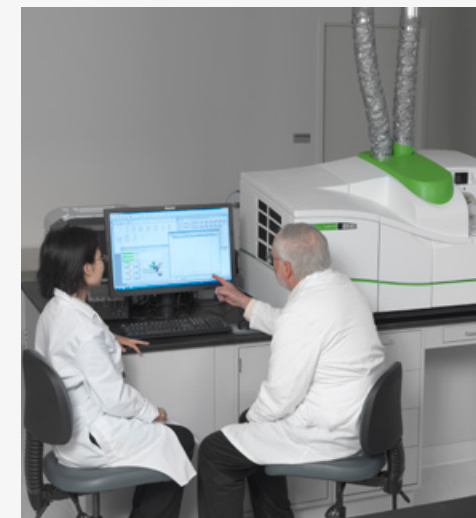
Leveraging our experience in Medpace, a contract research organisation that we acquired in 2014, our Healthcare team had identified Bioclinica, a specialty provider of technology-enabled services to clinical trials, as an attractive opportunity nearly two years prior to our investment in 2016. As a result of our understanding of the sub-sector and our long-standing relationship with the CEO, we were able to pre-empt and execute the investment quickly.



Contract organisation research  
[www.medpace.com](http://www.medpace.com)

Acquired  
April 2014

HQ  
US  
(global operations)



### How we are creating value

Medpace is a global contract research organisation, providing management services to the research and development ('R&D') departments of pharma, biotech and medical device clients to help plan and oversee their clinical trials. Medpace occupies an attractive space in the contract research organisation sub-sector. It focuses on small to mid-sized pharma and biotech companies, a segment where the outlook for R&D spending is particularly positive. Headquartered in the US, it has significant operations in Europe, where c. 40% of its clinical team is based.

Cinven has worked closely with the company's management team building on its strategic plans to increase market share in existing therapeutic areas and in later stage trials. We are also supporting the expansion into new therapeutic areas, such as anti-viral and oncology, to diversify Medpace's service offering. This is helping to enhance its sales and business development to win further market share.

### Developments in 2016

Medpace continued to perform strongly in 2016. The company's robust track record of growth under our ownership enabled us to list the business on the Nasdaq Global Select Market in August 2016 as a path to liquidity with further upside potential.

## Our investments

### Healthcare

**SYNLAB**

Medical diagnostic laboratories group  
[www.synlab.com](http://www.synlab.com)

### Acquired

**August 2015/  
October 2015**

### HQ

**Germany**  
(European operations)



### How we are creating value

Cinven created a pan-European clinical laboratories business through the merger of Labco and synlab in 2015. The merged entity, operating across 35 countries, offers a highly diversified range of services with strong market positions in each of the core European markets. At the time of the merger Synlab performed more than 400 million tests for nearly 50 million patients.

Building on our track record of investments in diagnostics businesses Phadia and Sebia, our Healthcare team identified the opportunity to consolidate the highly fragmented European laboratory diagnostics market and worked closely with our French and German teams over a period of 12 months to develop the consolidation strategy.

### Developments in 2016

Synlab continued to perform strongly throughout 2016. Created through the merger of synlab and Labco in 2015, Cinven and management focused on integrating the two companies throughout 2016, with the merged company meeting or exceeding 2016 synergy targets across several metrics.

### Industrials

**CeramTec**  
THE CERAMIC EXPERTS  
Manufacturer of  
high-performance ceramics  
[www.ceramtec.com](http://www.ceramtec.com)

### Acquired

**August 2013**

### HQ

**Germany**  
(global operations)



### How we are creating value

CeramTec is a leading global manufacturer of high-performance ceramics for medical, automotive, industrial and electronic applications. Using our Industrial team's expertise, and the Portfolio team's capabilities, our aim is to accelerate CeramTec's growth globally through expansion into emerging markets; investing further in R&D to create new products; and identifying add-on acquisitions in the fragmented ceramics and materials industries. CeramTec has a compelling innovation pipeline and has developed approximately 50 new materials and 150 substantially modified materials over recent years, often directly in response to customer demand.

Since our 2013 investment, Cinven has significantly augmented CeramTec's management team, including the appointment of a new CEO, CFO and Head of Medical. We have also assembled a professional

supervisory board consisting of highly experienced individuals to support CeramTec's expansion.

### Developments in 2016

After increasing momentum in the second half of 2016, CeramTec's order intake rose strongly by the fourth quarter. In March 2016, Cinven strengthened the company's management team with the appointment of Henri Steinmetz as CEO, an executive with extensive experience of the chemicals industry, with the previous CEO remaining as a member of the company's supervisory board.

Our Industrials, German and Portfolio teams worked extensively with the management team to create and implement a refreshed VCP during 2016.

## Our investments

### Industrials



Truck component manufacturer  
[www.jost-world.com](http://www.jost-world.com)

Acquired  
August 2008

HQ  
Germany  
(global operations)



### Investment Summary

JOST is a leading manufacturer and assembler of components for the articulated truck and trailer industry and is considered by clients as the standard-setter in quality, safety and innovation. Cinven has supported the company through a difficult period following the collapse of Lehman Brothers in 2008, given the material impact the financial crisis had on lease financing markets, which underpin the trucking industry. Together with management, Cinven has worked to protect and preserve value through a series of rigorous and wide-ranging initiatives, including restructuring the business to weather the economic downturn, implementing cost savings and renegotiating financing agreements.

We have made significant progress on our original strategy for JOST, making improvements to the company's operations and financial systems, growing its market position and expanding into underpenetrated, high-growth markets such as China, India and Eastern Europe. We have also assisted with the execution of M&A transactions, including the acquisition of Mercedes-Benz TrailerAxleSystems, which led to JOST becoming one of the largest European trailer axle manufacturers.

In July 2017, Cinven completed the private placement of JOST on the Frankfurt Stock Exchange. The Fourth Cinven Fund continues to hold a nominal stake in the business.



Residential and technical  
lighting product specialist  
[www.slv.de](http://www.slv.de)

Acquired  
May 2011

HQ  
Germany  
(global operations)



### Investment Summary

SLV grew significantly under Cinven's ownership. Demonstrating clearly the effectiveness of our support throughout a portfolio company's investment lifecycle, SLV's performance was particularly strong following a VCP refresh exercise that started in 2014 and was led by our German and Portfolio teams and the company's management.

We supported the strengthening of the management team across C-suite, corporate and regional levels, including the appointment of a new CEO and CSO, four new corporate-level heads, along with new managers across the US, Asia and Europe. We helped identify and implement initiatives to improve sourcing and innovation, leading to the addition of nearly 1,000 products in 2015 alone, and we helped create a new pricing strategy. Expansion was achieved through three

acquisitions, along with organic growth in existing and new markets across Europe and the Middle East. We also helped to lay the groundwork for future expansion into the US market. In anticipation of the sale, our Portfolio team helped to devise a value creation roadmap outlining future expansion and development potential for the business for potential buyers, an initiative that directly contributed to our successful realisation.

In January 2017, Cinven successfully sold SLV to Ardian.

## Our investments

### Industrials



Manufacturer of working-at-height equipment  
[www.tractel.com](http://www.tractel.com)

Acquired  
**October 2015**

HQ  
**Luxembourg**  
(global operations)



### How we are creating value

As the leading player in the global market for working-at-height equipment, Tractel operates in an attractive niche identified by our Industrials and French teams. The company has strong cash generation and is well positioned to capitalise on the upturn in the European construction market and continue to benefit from growth in US construction. As one of the few sizeable players in a highly fragmented market, Tractel represents a strong consolidation platform opportunity.

In line with our strategy, we provided support for the Safety Products Group acquisition, which accelerates Tractel's international expansion and complements plans to increase market share in the US. We have also helped initiate a new salesforce effectiveness programme with a view to increasing penetration in business segments that

are sold through distributors. In addition, we have identified potential M&A targets in other markets to create a player of larger scale across a diverse range of geographies.

### Developments in 2016

With Cinven's assistance, Tractel completed an important add-on acquisition in June 2016, the US-based Safety Products Group. The acquisition significantly increases its operations and customer base in the large US market. The company's growth is supported by the launch of a salesforce effectiveness project in 2016, an initiative drawn up by our Portfolio team together with management.

### TMT

The logo for Allegro, with the word "allegro" in a lowercase, orange, sans-serif font.

Online marketplace  
[www.allegro.pl](http://www.allegro.pl)

Acquired  
**January 2017**  
(Signed in 2016)

HQ  
**Poland**



### How we are creating value

We believe Allegro has strong growth potential and we have already put in place robust plans, along with the management team, to support the business in its organic growth strategy. The focal point of our strategy is the customer centricity which is reflected in improvements in all steps of the customer journey from product search, product selection, checkout process all the way to the delivery and potential returns process.

Prior to completion, our TMT, Consumer, Portfolio and Capital Markets teams collaborated closely with management to secure flexible financing and create a Value Creation Plan (VCP) for Allegro.

### Developments in 2016

Cinven signed the acquisition of Allegro in 2016 (completed January 2017). Allegro has a strong position in the growing Polish e-commerce market and is well positioned to capitalise on the increasing shift towards online purchasing in a country that is only just beginning to focus more on shopping via digital channels.



## Our investments

TMT

# HEG

Hosting and domain services  
[www.heg.com](http://www.heg.com)

Acquired  
**August 2013**

HQ  
**UK**  
(European operations)



### Investment Summary

Cinven's TMT team identified Europe's hosting and domain services sub-sector as an attractive market for consolidation, supported by underlying growth as companies migrated towards cloud computing and SMEs sought increased web presence. HEG was the ideal platform to capitalise on the opportunity, given its high-calibre management team with a strong track record of completing and integrating acquisitions and the company's subscription model, which created high earnings visibility.

During our ownership, our Portfolio team supported HEG's rapid growth, working with a further strengthened management team on several priority areas. These included reshaping the organisational structure, identifying cross-selling opportunities, optimising the pricing strategy, improving the technology platform, rolling out best practice across the organisation and developing new products.

At the end of 2016, Cinven successfully agreed the sale of HEG to US strategic buyer, GoDaddy Inc. The sale completed in spring 2017.

 **northgate**  
PUBLIC SERVICES

Software outsourcing and IT services  
[www.northgateps.com](http://www.northgateps.com)

Acquired  
**December 2014**

HQ  
**UK**  
(global operations)



### How we are creating value

Northgate provides a variety of niche software applications across a diversified mix of public sector customers, including local and central government, police and healthcare. We acquired the business in 2014, through a carve-out of the business from its parent, Northgate Information Services. In addition, with substantial investment in a modern, Software as a Service (SaaS) platform designed for public services, the company has been assisting with the digitisation of public sector information.

### Developments in 2016

The business performed less well than expected and therefore Cinven has strengthened Northgate's management team with the appointment of Steve Callaghan as CEO in 2016, an individual with significant experience in a number of private equity transformation roles. The company also appointed a new Chairman, CFO, CTO and COO in addition to a new Head of Local and Central Government.

## Our investments

TMT

# ufinet

Fibre network operator  
[www.ufinet.com](http://www.ufinet.com)

Acquired  
June 2014

HQ  
Spain  
(with Latin American operations)



### How we are creating value

With approximately 66,000 kilometres of proprietary fibre assets in Spain and Latin America, Ufinet has a unique network that benefits from long-term contracts and strong customer loyalty. Our TMT and Iberian teams identified Ufinet as an opportunity with strong growth potential through expansion into adjacent Latin American countries, investment in metropolitan fibre networks and extension of the services offered by Ufinet in Spain. We have drawn on considerable expertise accumulated in past successful investments in cable operators Ziggo, Numericable (in the Netherlands and France, respectively) and, more recently, hosting and domain services company HEG.

Following our carve-out of Ufinet from its Spanish utility provider parent, the business has developed substantially.

### Developments in 2016

Ufinet continued its strong performance under Cinven's ownership throughout 2016.

Ufinet completed a total of six add-on acquisitions since 2015, including four in 2016. The acquisition of Latin American B2B managed telecoms services business, IFX, which was signed in December 2016 and completed in March 2017, enables Ufinet to enter the attractive B2B telecoms market.



Enterprise software provider  
[www.visma.com](http://www.visma.com)

Acquired  
August 2014

HQ  
Norway



### How we are creating value

With operations across Northern Europe, Visma is a leading enterprise resource planning software business. Occupying an attractive niche through the provision of mission-critical software and services to mainly small- and medium-sized enterprises, the company has, in particular, capitalised on the transition to SaaS delivery of software.

By the end of 2016, the company had completed 37 acquisitions under Cinven's ownership, creating a business with a diverse enterprise resource software offering and strengthening its position across Northern Europe. Our TMT and Portfolio teams have also worked closely with the company to develop bespoke reporting metrics to drive performance, improve customer information and identify cross-selling opportunities.

In June 2017, we announced the partial realisation of our investment in Visma through a sale of 40% of our equity stake in the business. We continue to hold a significant stake.

### Developments in 2016

Visma's strong performance continued in 2016. In addition, Visma completed 23 acquisitions in 2016, with a healthy pipeline of further M&A targets developed across the Nordic region. The acquisitions included a number of high-growth SaaS companies and additions to its range of specific capabilities.

## 2016 realisations

During 2016, we also had investments in the following companies. These were exited in 2016 and full coverage is contained in our Annual Review for 2015.

Avolon



EnServe



Coor



**AVOLON**

**ENSERVE™**  
ENERGY, ENVIRONMENT, ENGINEERING

**COOR**

In July 2015, Cinven agreed to sell its remaining stake in Ireland-based aircraft leasing company Avolon to Bohai Leasing (following an IPO of the business in 2014), in a transaction that completed in January 2016.

Cinven sold the core infrastructure support businesses of UK-based EnServe, a utility and energy outsourcing business, between 2011 and 2013. The remaining EnServe business was sold in January 2016.

In May 2016, Cinven completed the sale of its remaining stake in the company Coor, a company providing workplace services such as cleaning, telephony and conference support, property services and production-related industrial services.

Guardian Financial Services



Numericable/Altice



Prezioso



**Guardian**  
Financial Services

**numericable™**

**altice**

**PREZIOSO**  
Linjebbygg

Cinven completed the sale of UK life insurance consolidator Guardian Financial Services in January 2016.

In March 2016, Cinven sold down its final stake in France-based cable operator Numericable/Altice, following an IPO on the NYSE Euronext Paris stock exchange in 2013.

In May 2016, Cinven completed the sale of Prezioso, a France-based insulation and scaffolding services business to the oil and gas sector, to Altrad.

## Our investors

Cinven has a well-diversified, global institutional investor base, consisting mainly of pension funds, sovereign wealth funds, insurance companies, endowments and foundations, and family offices.

We view our investors (Limited Partners or LPs) as long-term partners and we cultivate our relationships with them with transparency, dedication and care.

While our relationship is with our global institutional investor base, we are highly cognisant of the impact our performance has on the ultimate beneficiaries of these funds, such as savers and individuals paying into their retirement funds.

Our latest fund, the Sixth Cinven Fund, has €7 billion of capital and an investor base comprising more than 90% of existing investors in prior Cinven funds.

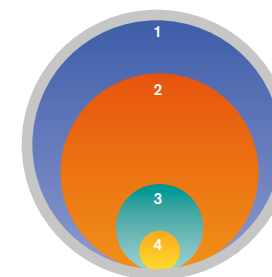
We seek to build lasting relationships with our LPs. This is evidenced by the fact that two of our original, pre-1995 pension fund investors – British Coal and Oak Pension Asset Management (formerly Barclays Pension Fund) – have invested with us for more 20 years. In addition, we actively develop new long-term relationships with LPs across the world.

Our Investor Relations and Fundraising team (IR team) is a group of senior individuals with investment and/or operational experience. The team members serve as key points of contact between Cinven and its LPs and they strive to uphold the highest standards of communication across all interactions with LPs.

Sixth Cinven Fund

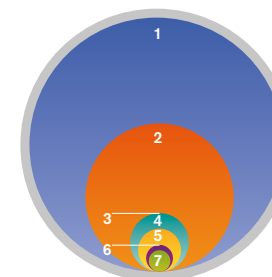
**€7bn**  
of capital

Current investors by geography (by number)\*



1 Americas	44%
2 Europe	34%
3 Asia	15%
4 Middle East	7%

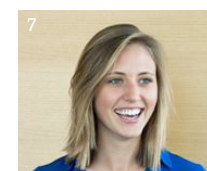
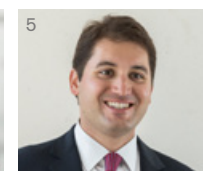
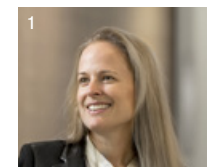
Current investors by type (by amount invested)\*



1 Public pension fund	47%
2 Sovereign wealth fund	16%
3 Insurance	10%
4 Endowment and others	10%
5 Corporate pension fund	8%
6 Fund of funds	5%
7 Family office	4%

## Investor Relations and Fundraising team

**Alexandra Hess** <sup>1</sup>  
Partner  
**Jonas Nilsson** <sup>2</sup>  
Partner  
**Yalin Karadogan** <sup>3</sup>  
Partner  
**Sarah Verity-Thomas** <sup>4</sup>  
Managing Director  
**Tarek Bayazid** <sup>5</sup>  
Director  
**Adam Watkins** <sup>6</sup>  
Executive  
**Morgan Schmit-Sobeck** <sup>7</sup>  
Executive





## Our governance

Cinven is an independent group, wholly owned for the benefit of its Partners. It is exclusively focused on delivering returns responsibly to its fund investors and therefore their beneficiaries.

### The Boards of the Guernsey Managers



Directors: Robin Hall, Brian Linden, Hayley Tanguy, John Boothman, Rupert Dorey and William Scott

The Fourth Cinven Fund is managed by Cinven Limited, the Fifth Cinven Fund by Cinven Capital Management (V) General Partner Limited and the Sixth Cinven Fund by Cinven Capital Management (VI) General Partner Limited (the “Guernsey Managers”). The Boards of the Guernsey Managers supervise the governance and risk control framework of the Cinven Funds.

Cinven Partners LLP advises the Guernsey Managers, and its Executive Committee reports to the Cinven Partners. Cinven Partners meet formally as the entire Partner Group on a quarterly basis. Non-fund management responsibilities are delegated to the Managing Partner and three specialist committees in a well-proven and successful governance system. The three committees oversee resources, investment recommendations, portfolio company development and exit recommendations, as shown here.

### Partner Group Cinven Partners LLP

#### Executive Committee

(Meets bi-monthly and reports to the full Partner Group at its quarterly meeting)



Members: Hugh Langmuir, Stuart McAlpine, Alexandra Hess, Caspar Berendsen, David Barker, Nicolas Paulmier, Peter Catterall and Supraj Rajagopalan.

#### Investment Committee\*

(Meets at critical milestones of investment transactions)



Members: Hugh Langmuir, Stuart McAlpine, David Barker, Nicolas Paulmier, Peter Catterall and Supraj Rajagopalan, augmented by other senior Partners depending on relevant experience.

#### Portfolio Review Committee\*

(Meets quarterly and at critical milestones)



Members: Hugh Langmuir, Stuart McAlpine, Caspar Berendsen, Matthew Sabben-Clare, Peter Catterall, Ivan Kwok and Thilo Sautter.

\* The Investment and Portfolio Review Committees, of the Cinven advisory entities, make recommendations to the Boards of the Guernsey Managers. Based on the recommendations, the Boards of the Guernsey Managers make investment and divestment decisions relating to the relevant Cinven Fund.

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