

Foreword from Stuart McAlpine

2018 was another very successful year for Cinven, in which we made significant progress developing our team, investing in our core sectors, exiting investments, realising value for Cinven's investors, and raising the Seventh Cinven Fund.



Stuart McAlpine
Managing Partner

Continued successful investment and realisation activity

On the investing side, we closed out seven new compelling investment opportunities that our Sector and Regional teams had been cultivating for many months. As a result, in the Sixth Cinven Fund (2016 vintage), Cinven has built a diverse portfolio of investments by sector, geography, currency and strategy. Each of Cinven's six core sectors are represented in the portfolio today. All of the investments are based on strategies and insights Cinven has identified to drive growth.

We continued to capitalise on the strong performance of investments in the Fifth Cinven Fund (2012 vintage). To date, of the original 17 investments in the Fifth Cinven Fund, nine are now fully realised, with a further five investments partially realised. The Fourth Cinven Fund (2006 vintage) was wound down after realising the remaining material value; a notable achievement for a fund of its vintage.

Market backdrop

While, at the time of this report, European and US equity valuations remain at historic highs and financing markets continue to be supportive, sentiment suggests we are late in the cycle. Against this market backdrop, Cinven is targeting high-growth investment opportunities in companies with resilient business models that are well positioned to outperform their respective markets in a slower economic growth environment.

Over the course of our 30 year track record, we have consistently demonstrated our ability to 'pivot' Cinven's investment focus and adapt our approach to navigate the prevailing economic cycle. As is evident from the success of the Fifth Cinven Fund, Cinven has proven its ability to capitalise on the opportunities arising from economic dislocations. Cinven typically focuses on large, high-quality, often international assets with world class, industry-leading management teams that can both be financed or refinanced with limited reliance on local or domestic markets. Our dedicated Capital Markets team has worked hard to ensure that Cinven's portfolio companies have the most appropriate capital structures to support not only the growth of these businesses, but also to protect them in a potential downturn.

Organisational and strategic developments

We continue to invest in the team across our international office footprint. In particular, the Portfolio team has been significantly strengthened with the addition of two senior hires and now comprises seven team members globally. In addition, Cinven has continued to grow the Investment team, with 10 new investment Associates joining in the year across London, Frankfurt, Madrid and New York. Cinven also continued to promote internally, including three Partner promotions at year end.

Given the continued investment in our people across different geographies, the Cinven team has grown to more than 160 professionals today. Going forward, we will continue to grow and invest in the team, both on the investment side and more broadly across all corporate functions.

Over the course of 2018, we continued to build on a number of growth and operational initiatives that were launched in the prior year, including our continued investment in technology, data and innovation, which recently included a firm-wide transition to a cloud-based investment platform.

Foreword from Stuart McAlpine continued

Culture, values and diversity

As a people-centric, team-oriented firm, we believe that driving best-in-class performance for Cinven's investors is predicated on us recruiting, developing and retaining the best talent. Cinven's values centre on fostering an inclusive culture where all team members are valued, respected, supported and positioned to succeed.

Over the last two years, we have made significant progress and begin to implement an Inclusion and Diversity (I&D) programme, that aims to sustainably improve the firm's diversity and create a more inclusive workplace. The initiatives are grouped under four core headings: inclusive behaviours, recruitment, development and retention.

Cinven also continues to promote I&D across the industry including our involvement in industry-wide I&D initiatives and our recent sponsorship of the BVCA's Minorities Breakfast. In 2018, we introduced mandatory KPI tracking for gender diversity for all of Cinven's portfolio companies.

The Seventh Cinven Fund

Having successfully built an attractive portfolio of investments in the Sixth Cinven Fund over the last few years, in the autumn of 2018 we focused our attention on the significant investment opportunity set we see ahead for the Seventh Cinven Fund. We formally launched the fundraise for the Seventh Cinven Fund at the beginning of 2019, and reached our hard cap of €10 billion in less than four months, with material oversubscription.

It is a significant milestone for Cinven to have successfully concluded another fundraise in record time, and a testament to Cinven's longstanding investment performance through economic cycles, the strength of the Cinven team and the long term relationships we have with Cinven's investors.

Looking ahead, we believe that in the Seventh Cinven Fund we have raised a fund that is right-sized for the market opportunity. Through Cinven's Sector and Regional teams, we will continue to identify attractive investment opportunities that we can target to define angles and strategies to step-change growth.

Our values



Commitment to Excellence

Set the highest of standards

We are driven, rigorous and continuously strive to improve.



Partnership

Collaboration is at our core

We believe in teams not individuals, and invest in relationships for the long term.



Respect

Achieve distinction without ego

We are considerate and socially responsible. We value diversity and transparency.



Ambition

Test the art of the possible

We are bold, decisive and entrepreneurial. We stay agile and keep ahead of the market.



Empowerment

Develop talent

We give people the opportunity to succeed and help them fulfil their potential.