



## **Annual Review of Bain Capital Private Equity's UK Operations June 2017**

Bain Capital Private Equity (Europe), LLP is an investment adviser authorized and regulated by the Financial Conduct Authority ("FCA"). Bain Capital Private Equity (Europe), LLP is an indirect subsidiary of Bain Capital, LP, a global investment firm based in Boston, Massachusetts, USA. It is based in London and is the investment adviser to the following three European private equity funds:

- Bain Capital Fund VII-E, LP;
- Bain Capital Fund VIII-E, LP; and
- Bain Capital Europe Fund III, LP

and the investment sub-advisor to

- Bain Capital Fund Europe – IV, LP (collectively the "European Private Equity Funds").

Bain Capital Private Equity (Europe), LLP provides investment advice to the Bain Capital European Private Equity Funds regarding the acquisition and disposition of securities. Bain Capital Private Equity (Europe), LLP has implemented a Conflicts of Interest Statement.

### **Commitment to Walker Guidelines**

Because we believe in the importance of disclosure and transparency in the private equity industry, Bain Capital Private Equity (Europe), LLP was an active participant in the formulation of the Guidelines for Disclosure and Transparency in Private Equity, promulgated by an advisory group formed by the British Venture Capital Association ("BVCA") and led by Sir David Walker. Dwight Poler, a Managing Director and chairman of the Bain Capital Private Equity group in Europe, was a member of the advisory group throughout the process. Bain Capital Private Equity (Europe), LLP is fully committed to conforming to the Guidelines.

Bain Capital Private Equity (Europe), LLP has and will continue to provide data to the BVCA in support of its enlarged role in data gathering and economic impact analysis, in part as a means to appropriately attribute private equity returns on an industry-wide basis to financial structuring, market movements and operational improvement.

Finally, Bain Capital Private Equity (Europe), LLP will promote compliance of its portfolio companies with applicable Guidelines and will provide direct links to information about these portfolio companies.

## Bain Capital Private Equity's UK Portfolio

### MKM Building Supplies

In March 2017, Bain Capital Private Equity acquired MKM Building Supplies from LDC and 3i Group plc. MKM Building Supply is the largest independent builders' merchant in the UK. It provides a one-stop-shop for branded building materials, timber, plumbing and heating, and a broad range of complementary categories including kitchens and bathrooms.

Established in Hull in 1995, MKM was built on the concept that skilled employees who understand the needs of local customers should serve the local trade. MKM is differentiated through its unique business model, centered on Branch Directors owning an equity stake in each of their respective branches. As of March 2017, MKM had 47 branches across England and Scotland, which employed more than 1,100 people.

For more information on MKM Building Supplies, please visit the company's website at <https://www.mkmbms.co.uk/>.

### Worldpay

In December 2010, Bain Capital Private Equity and Advent International acquired Worldpay from The Royal Bank of Scotland Group plc. Worldpay is a leader in global payments, providing a broad range of technology-led solutions to its merchants, enabling them to accept 326 alternative payment methods across multiple payment channels nearly anywhere in the world. Worldpay is one of the few global businesses able to offer functionality in most aspects of payment acceptance.

Having helped Worldpay transition to a standalone company, Bain Capital and Advent International supported the company in establishing a clear strategic direction as an innovative payments technology company. This included investing more than £1 billion to support long term growth – approximately £400 million on a new acquiring engine, £300 million in strategic acquisitions and joint ventures, and the remainder in people and products. From 2010 to 2015, Worldpay increased headcount by approximately 2,500, including an increase in engineering employees of approximately 400%.

In October 2015, Worldpay completed its initial public offering and a listing on the London Stock Exchange plc's main market, valuing the business at £5.5 billion.

For more information on Worldpay, please visit the company's website at <http://www.worldpay.com>.

### **Bain Capital's UK Private Equity Team**

Stuart Gent, Robin Marshall and Michael Siefke serve as co-heads of Bain Capital Private Equity's Europe business. They collectively manage day-to-day business and the team, dividing responsibilities in order to maintain primary focus on their existing deal and portfolio roles. Other Managing Directors who participate in the Europe private equity group include Luca Bassi, Cecile Belaman, Melissa Bethell, Christophe Jacobs van Merlen, Michel Plantevin, Dwight Poler, Ivano Sessa and Nigel Walder. Managing Director Michael Siefke supports the pan-European team from Bain Capital's Munich office.

Please visit <http://www.baincapitalprivateequity.com/team> for more information about the team.

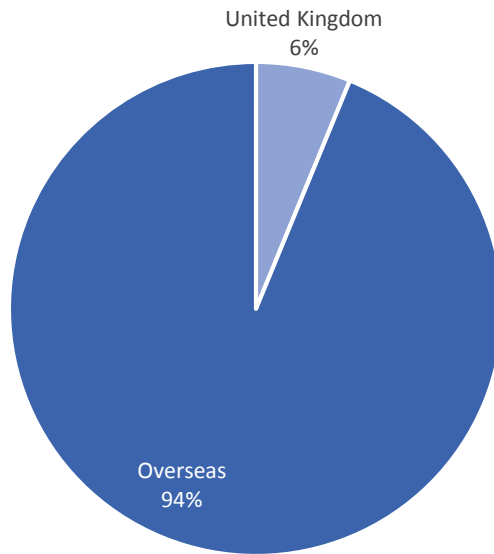
As of 1 June 2017 there were 40 Bain Capital Private Equity investment professionals based in Europe, as well as 17 portfolio group executives dedicated to assisting portfolio company management teams in improving their businesses. This team works closely with the broader Bain Capital organization, which has approximately 950 employees worldwide.

### **Limited Partners of Bain Capital Private Equity's European Funds**

Interests in Bain Capital Private Equity's European funds are placed privately with professional investors from around the world. Bain Capital Private Equity will report to all of the investors in its current funds eligible to invest in UK companies under European Venture Capital Association guidelines and the guidelines of the Private Equity Industry Guidelines Group. Fund investments are valued in accordance with the authoritative guidance on fair value measurements and disclosures under US GAAP. The investors in Bain Capital Private Equity's European funds have access to detailed and timely confidential information about the funds through a password protected website.

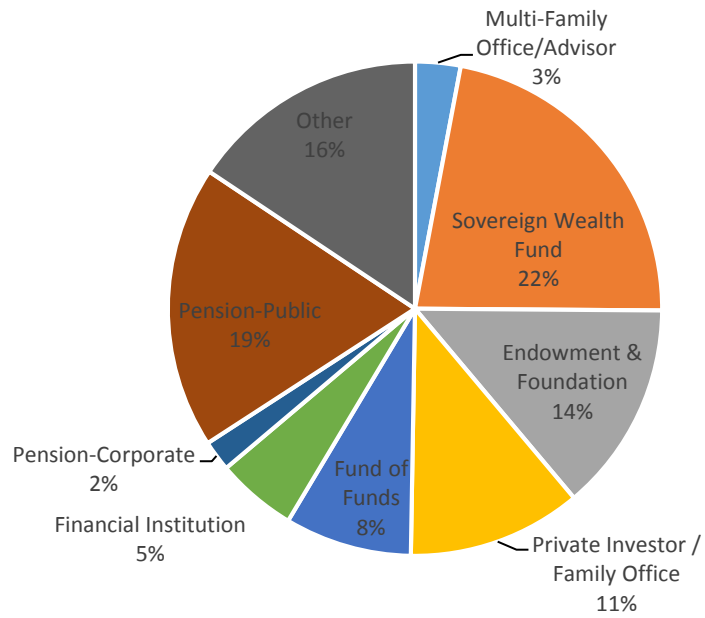
The investors in the European funds come from around the globe and represent a variety of professional investors. The composition of our investor base, by capital committed, is as follows:

### Investor Breakdown by Geography<sup>1</sup>



<sup>1</sup>As of 16 June 2017

### Investor Breakdown by Type<sup>2</sup>



<sup>2</sup>As of 16 June 2017

## Bain Capital's History in the UK

Since its founding in 1984 in Boston, Bain Capital has grown and evolved into one of the leading global private investment firms in the world. Many of our Managing Directors and team members have worked as strategic consultants advising a large number of companies across a wide range of industries. From this heritage, Bain Capital has built upon the experience and ability of its professionals to assess a company's potential, develop powerful strategies, and implement fundamental change in partnership with great management teams. Bain Capital Private Equity now has nine offices on four continents and has raised eleven global private equity funds, four European funds and three Asian funds.

In August 2005, Bain Capital Credit (formerly known as Sankaty Advisors) established a presence in London. Bain Capital Credit's European team now consists of more than 30 professionals and has a successful track record of investing in European leveraged loans, high yield bonds, mezzanine capital, and currently manages investments in approximately 100 companies.

Bain Capital Private Equity's European investment team is based in London and Munich, and operates within the globally integrated team. Since establishing a dedicated Europe office in London in 2000, the firm has raised four Europe-focused funds and has invested in companies across a broad range of industry sectors and countries.

In October 2001, Bain Capital Fund VII-E, L.P. ("Fund VII-E") was organized as the primary vehicle for making European private equity investments, with \$500 million in commitments. While Fund VII-E's primary focus was to invest in attractive European mid-market companies, it also maintained the flexibility to opportunistically pursue select larger European investments by sharing these investment opportunities with Bain Capital's global private equity funds. This investment sharing structure enabled Fund VII-E to invest in a range of transaction sizes, without becoming overly concentrated in a small number of very large investments and without the pressure of investing a fund that Bain Capital felt was too large.

In August 2004, Bain Capital Fund VIII-E, L.P. ("Fund VIII-E") was organized as a successor fund to Fund VII-E, with €1.015 billion in commitments. Like Fund VII-E, Fund VIII-E focused its investment activities in mid-market European companies while opportunistically investing in attractive larger transactions alongside Bain Capital's global private equity funds. It also expanded its investment focus to include two investments in South Africa.

In March 2008, Bain Capital Europe Fund III, L.P. was organized as the successor fund to Fund VIII-E, with €3.5 billion in commitments. It is pursuing a similar strategy to Fund VIII-E.

In November 2014, Bain Capital Fund Europe IV, L.P. was organized as the successor fund to Europe Fund III, with €3.5 billion in commitments. Europe IV will continue to focus on companies headquartered in Europe, typically with international operations or aspirations, where Bain Capital has significant comparative advantage over other potential bidders.

### **Bain Capital Private Equity's Investment Strategy**

Bain Capital Private Equity pioneered the value-added investment approach. We partner with management teams to help build and grow great companies. Our success is built on a collaborative approach that harnesses the power of those great teams to generate the best ideas and strategies.

Our global team, which now operates in nine offices on four continents, has made more than 725 primary and add-on investments that have generated consistently strong returns. Collectively, about 10 percent of our private equity funds' commitments come from our professionals, far in excess of industry convention and reflective of both our strong principal investor mentality and confidence in our ability to generate industry-leading returns.

Bain Capital Private Equity's expected holding period for an investment is four to seven years. Each of its funds is formed for a period of approximately ten years, which allows Bain Capital Private Equity to make considered, long-term investments with a view towards true improvement and value creation in its portfolio companies.

Please visit <http://www.baincapitalprivateequity.com> for more information about our strategy.

### **Contact Us**

For further information regarding Bain Capital Private Equity's UK operations, or any questions about this report, please contact Stuart Gent at +44 (0)20 7514 5252.

**This document is not an offer to sell securities. Bain Capital funds are privately placed to eligible investors only.**