

Buyout Track 100 press release

5 February 2012



38 COMPANIES FROM LONDON WIN PLACES ON LEAGUE TABLE OF BRITAIN'S FASTEST GROWING PRIVATE EQUITY BACKED FIRMS

Published this weekend for a sixth year, the **Sunday Times Deloitte Buyout Track 100** league table ranks Britain's 100 private-equity-backed companies with the fastest-growing profits (ebitda) over the last two years.

Despite the tough economic climate, the 38 companies headquartered in London (compared with 27 last year) have made a considerable contribution to the capital's economy. Together, they employ **33,830 people**, having added 10,379 jobs over the last two years, and have generated **combined profits of £562m**.

The top company in London is **Partnership**, based in the City, which is owned by Cinven. The company sells long-term care plans, life assurance and equity release schemes as well as annuities exclusively to people whose life expectancy is significantly shortened due to medical conditions. Its profits grew an average 346% a year from £1.9m in 2008 to £36.9m in 2010, the highest growth figure seen on any Buyout Track 100 table.

New to the league table is **Ambassador Theatre Group**, which was founded by Howard Panter and Rosemary Squire in 1992. Its shows include *The Lion King* and *Wicked*. Backed by Exponent, the company acquired Live Nation's 16 British theatres for £90m in 2009 and has integrated the production, ticketing and theatres, leading to average profit growth of 164% a year over the last two years, to £16.3m in 2011.

Private equity-backed companies with the fastest-growing profits in London

National rank [2011 rank]	Company Activity	Location of HQ	Annual profit growth over 2 yrs	Latest profit (£000)‡	Latest staff	Latest financial year end	Main shareholders
1	Partnership <i>Life assurance specialist</i>	City of London	346.4%	36,905	273	Dec 10	Cinven (73%), management (27%)
2	Ambassador Theatre Group <i>Theatre operator</i>	Central London	164.4%	16,317	2,465	Mar 11	Exponent (77%), management (23%)
8	Agent Provocateur <i>Luxury lingerie retailer</i>	Central London	84.8%	3,251	260	Mar 11	3i (62%), others (38%)
10	The Foundry <i>Visual effects software developer</i>	Central London	83.2%	†5,184	130	Dec 11	Carlyle Group (>50%), management & staff (<50%)
11	BigHand <i>Dictation software developer</i>	Southwark	81.3%	3,662	88	Mar 11	LDC (43%), management (57%)
12	DiGiCo <i>Digital sound equipment maker</i>	Chessington, Southwest London	79.9%	5,543	64	Dec 10	ISIS Equity Partners (48%), management (41%), Matrix Private Equity (11%)
13	Foxtons <i>Estate agent</i>	West London	79.7%	†31,836	975	Dec 10	Mizuho / Bank of America (49.5%), BC Partners (36%), management (12.5%), others (2%)
15	Parseq <i>Technology and outsourcing provider</i>	Central London	77.6%	4,156	379	Dec 10	HarbourVest Partners (84%), Rami Cassis (15%), Nova Capital (1%)
16	Toluna <i>Online market research provider</i>	West London	76.6%	23,212	787	Dec 10	Verinvest (45%), Invesco (37%), Eurovestech (10%), management (8%)
19 [18]	Cath Kidston <i>Lifestyle retailer</i>	West London	73.1%	*16,229	518	Apr 11	TA Associates (62%), Cath Kidston (21%), management (17%)

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21 [16]	Kelway <i>IT services provider</i>	Central London	66.9%	11,669	697	Mar 11	Core Capital (26%), management & staff (74%)
24 [6]	XLN Telecom <i>Telecoms services provider</i>	Central London	62.3%	†11,770	255	Mar 11	ECI Partners (>50%), management (<50%)
25	ITRS Group <i>Financial software developer</i>	Central London	61.4%	5,958	75	Mar 11	Carlyle Group (>50%)
26	Phase Eight <i>Fashion retailer</i>	West London	61.3%	18,085	1,329	Jan 11	Towerbrook (>50%), management (<50%)
28	JacTravel <i>Travel services provider</i>	West London	60.5%	†6,560	165	Oct 11	Bowmark Capital (51%), management (49%)
35 [39]	Office <i>Shoe retailer</i>	Central London	50.7%	23,853	2,009	Jan 11	Silverfleet Capital (74%), management & staff (26%)
36	City & County Healthcare <i>Home care provider</i>	Wembley	50.2%	†5,853	3,000	Mar 11	Sovereign Capital (85%), management (15%)
39	Hyperion Insurance Group <i>Insurance intermediary</i>	Central London	46.0%	†18,026	677	Sep 11	3i (27%), BP Marsh (20%), management & others (53%)
40	Writtle Holdings <i>Media investor</i>	Central London	44.8%	3,315	374	Dec 10	Veronis Suhler Stevenson (15%), ABRV Partners (15%), management (70%)
42 [12]	Lifeways Community Care <i>Community care provider</i>	Southwest London	44.2%	†10,500	3,236	May 11	August Equity (78%), management (22%)
43 [36]	Jack Wills <i>Fashion retailer</i>	Northwest London	44.2%	16,128	1,870	Jan 11	Inflexion Private Equity (27%), management (73%)
49	Sauflon Pharmaceuticals <i>Contact lens maker</i>	Southwest London	40.4%	8,566	654	Oct 10	Hollyport Capital (34%), Bond Capital Partners (10%), Alan Wells (40%), others (16%)
51	Crest Nicholson <i>Housebuilder</i>	Surrey	40.1%	48,500	464	Oct 10	Varde Partners (80%), other investors (20%)
52	Westway <i>Building services contractor</i>	Northwest London	39.6%	4,026	186	Feb 11	Maven Capital (20%), Matrix Private Equity (10%), Carl Brooks (30%), Andy Donnell (28%), others (12%)
60 [27]	Data Explorers <i>Financial data provider</i>	Central London	35.2%	†7,075	104	Jun 11	Bowmark Capital (51%), management (49%)
61	CSC Media <i>Television broadcaster</i>	Central London	34.8%	5,253	40	Dec 10	VSS (63%), founders (24%), Rothschilds (13%)
62	Crew Clothing <i>Clothing retailer</i>	Southwest London	34.6%	3,876	284	Oct 10	ISIS Equity Partners (25%), Alastair Parker-Swift (54%), others (21%)
64 [45]	Mountain Warehouse <i>Outdoor equipment retailer</i>	Central London	34.0%	†11,385	942	Feb 11	LDC (22.5%), management (77.5%)
71	Fourth Hospitality <i>Hospitality software developer</i>	Central London	31.6%	†3,821	190	Aug 11	ECI Partners (56%), Derek & Edwina Lilley (20%), management (24%)
72 [85]	Microlease <i>Electronic equipment provider</i>	Northwest London	30.1%	17,976	150	Feb 11	LDC (70%), management (30%)

74 [11]	Skrill <i>Online payment provider</i>	Central London	29.1%	23,192	395	Dec 10	Investcorp (51%), management (14%), others (35%)
National rank [2011 rank]	Company Activity	Location of HQ	Annual profit growth over 2 yrs	Latest profit (£000)[‡]	Latest staff	Latest financial year end	Main shareholders
77 [43]	Attenda <i>IT services provider</i>	West London	27.8%	5,735	218	Dec 10	Darwin Private Equity (69%), management (31%)
83 [42]	ATPI <i>Travel services provider</i>	Central London	26.3%	16,496	1,244	Dec 10	Equistone (60%), management (40%)
87	Pret A Manger <i>Sandwich shop operator</i>	Central London	25.7%	46,058	5,367	Dec 10	Bridgepoint (>50%), founders & management (<50%)
89 [82]	YO! Sushi <i>Restaurant operator</i>	Central London	25.2%	7,654	1,573	Nov 10	Quilvest Private Equity (71%), management (29%)
95	SHL <i>Talent assessment provider</i>	Southwest London	21.0%	18,900	611	Dec 10	HgCapital (50%), Veronis Suhler Stevenson (33%), management (17%)
96 [55]	Survitec Group <i>Survival equipment maker</i>	London	20.4%	40,199	1,332	Mar 11	Warburg Pincus (>80%), management (<20%)
97	The Mill <i>Visual effects provider</i>	Central London	20.2%	15,189	450	Dec 10	Equistone (>50%), management (<50%)

‡ Profits are defined as earnings before interest, tax, depreciation and amortisation (ebitda).

† Not filed at Companies House * Annualised figure

Mark Pacitti, head of London corporate finance advisory at **Deloitte**, title sponsor of the league table, commented:

“Despite the many challenges facing the UK economy, it is very pleasing to see so many successful private-equity-backed businesses in London. It is clear that strong management teams supported by private equity investors can deliver above average performance which in turn makes them attractive M&A candidates.”

The national picture

Despite tough economic conditions, over the past two years the 100 companies on the league table have grown their profits by an average **51% a year** to combined profits of **£1.3bn**. Over the same period, they added **22,731** staff, to reach a total of **91,577** staff.

The companies attribute their profit growth to three main reasons: 52 companies cited new client wins; 42 companies said development of new products and services; and 39 reported that expansion overseas had driven their growth.

However, the increase in profits is tempered by the high level of debt owed by many of the companies on the table. They have average debts of £50m, equivalent to four times profits.

In terms of sectors on the league table, there are 61 service companies; and manufacturing showed an increase this year, with a total of 25 companies, up from 14 on last year's table.

Most of the companies are based in London (38) and the southeast (19). The remainder breaks down as follows: north (18), Midlands (14), Scotland (4), east (3), southwest (2), Wales (1) and Northern Ireland (1).

The full findings will be published in a special eight-page supplement with the business section of **The Sunday Times** on 5 February and on www.fasttrack.co.uk

Unlike most research into the private equity industry, **The Sunday Times Deloitte Buyout Track 100** highlights the profit performance of companies backed by private equity, rather than just the deals and exits.

The league table is compiled by **Fast Track**, the UK's leading research and networking events company for top-performing private companies and entrepreneurs, with title sponsorship from **Deloitte** and main sponsorship from **Lloyds Bank Wholesale Banking & Markets** and **Skillcapital**.

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Notes for editors

Fast Track has published league tables of top-performing private companies with **The Sunday Times** for the past 15 years, and its invitation-only dinners provide a valuable opportunity for entrepreneurs to network and also meet its sponsors. The company was founded and is run by Dr Hamish Stevenson, who also holds an associate fellowship at Green Templeton College, Oxford University.

League table criteria

Companies are ranked according to the compound annual growth in their profits over two years, based on their latest available figures (either 2008 to 2010, or 2009 to 2011). The research therefore carries the caveat that their performance may have changed since; 55 of the companies have financial year end in 2011, and 45 in 2010. Profits had to exceed £1m in the base year, and £3m in the latest year, but had to be less than £50m. There is a separate table of the **10 Biggest** private equity-owned companies with the fastest-growing profits, where the latest profits exceed £50m.

Profits are defined as earnings before interest, tax, depreciation and amortisation (ebitda), which is used by private equity houses as the best indicator of a company's profit.

Companies had to be registered in the UK, independent, unquoted and ultimate holding companies. At least 20% of a company's shares had to be owned by a private equity fund.

The research was carried out by Fast Track between 30 August 2011 and 1 January 2012. The vast majority of companies were interviewed by telephone and/or visited by the Fast Track research team.

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